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Personal Retirement Analysis

Allen & Betty Abbett

Retire 63/62 - Downsize & Move to WA



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IMPORTANT: The illustrations or other information generated by this report regarding the likelihood of various investment outcomes are hypothetical in nature, do not reflect actual investment results and are not guarantees of future results.

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Disclaimer

This financial planning analysis ("Analysis") contained herein is hypothetical in nature and provided for informational purposes to illustrate certain financial and estate planning ideas and concepts based on information provided and reviewed by you.

Data and Assumptions

This Analysis is based upon information provided by you. To the extent that this Analysis includes personal assets that the firm does not hold on your behalf (e.g., collectibles, real estate, intangible assets/intellectual property, checking and savings accounts, business ownership interests, insurance, personal property, etc.), the value of such assets has not been verified by your financial professional and/or broker dealer and is included for informational purposes only. You should review and confirm the completeness and accuracy of all values before relying on this Analysis. Furthermore, you should review and confirm the completeness and accuracy of all Data on a frequent basis to ensure the results provided herein remain accurate given any changes that may occur in your financial and personal situation. Small changes in assumptions can have significant impacts on the outcome of this Analysis, and inaccurate representations by you of any Data may invalidate results provided in this Analysis.

Assets listed on this Analysis may not be covered by FDIC or SIPC. Questions about coverage that may apply should be directed to the asset provider or sponsor.

Performance

Performance results presented in this Analysis are based on assumptions and may not reflect actual results due to factors beyond the scope of this Analysis. Investment returns set forth in this Analysis are based on asset class rather than individual performance of a particular investment. Projected valuations and/or rates of return may not take into account surrender charges on products you might own, deduction of commissions, fees, and other charges, which can result in a lower rate of return. Additionally, proposed asset allocation, performance results, and assumptions presented in this Analysis may be based on your answers to questions designed to determine your individual risk tolerance. You are responsible for confirming the answers you provided accurately represent your risk tolerance.

Depending on your answers, performance results in this Analysis may be more aggressive than your current allocation mix and return rates may be overstated. Your assets may lose value including a portion or all of your initial investment. Data used to provide performance projections is historical, and past performance is no guarantee of future performance.

Service Provider

This Analysis may be provided as part of a financial plan being offered by your financial professional in their role as an investment advisor representative. However, the term "plan" or "planning," when used within this Analysis does not imply that a recommendation has been made to implement one or more financial plans or make a particular investment. Please refer to the financial planning agreement you signed for further information about the parties providing services. This Analysis does not constitute a recommendation of any particular technique or investment, and may not contain general or specific recommendations for implementation. The results contained herein do not constitute an actual offer to buy, sell or recommend a particular investment or product. All investments are inherently risky. You are under no obligation to implement any recommendations that may be included within this Analysis. If you choose, you may implement this Analysis through a financial adviser. This may result in the payment of normal and customary commissions, advisory fees or other types of compensation to Service Provider. This compensation may be more or less depending on the product or service that representative recommends. To the extent that Service Provider recommends that you invest in products and services that will result in compensation being paid to Service Provider and its representatives, this presents a conflict of interest. The information contained in this Analysis is not written or intended as financial, tax or legal advice. The information provided herein may not be relied on for purposes of avoiding any federal tax penalties. You should consult your tax and/or legal advisors before implementing any transactions and/or strategies concerning your finances.

Monte Carlo

Monte Carlo Analysis is a complex statistical method that charts the probability of certain financial outcomes at certain times in the future by generating many possible economic scenarios that could affect the performance of your investments. The Monte Carlo simulation uses at most 10000 scenarios to determine the probability of outcomes resulting from the asset allocation choices and underlying assumptions regarding rates of return and volatility of certain asset classes. Some scenarios assume favorable financial market returns, consistent with some of the best periods in investing history. Some scenarios assume unfavorable financial market returns, consistent with some of the worst periods in investing history. Most scenarios will fall somewhere in between. The outcomes presented using the Monte Carlo simulation represent only a few of the many possible outcomes. Since past performance and market conditions may not be repeated in the future, your investment goals may not be fulfilled by following advice that is based on the projections.

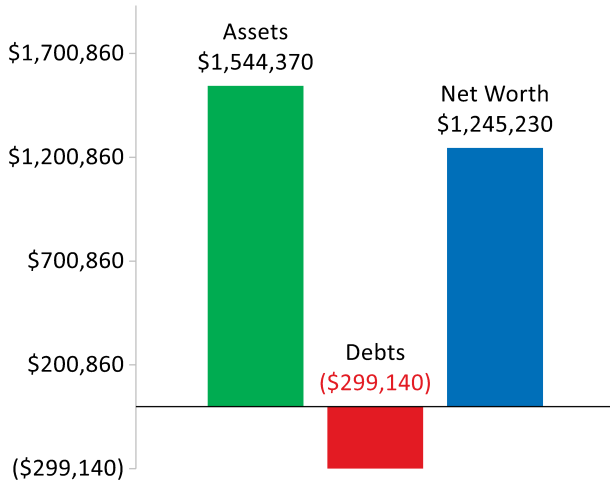
Tools such as the Monte Carlo simulation will yield different results with each use and over time depending on the variables inputted and the assumptions underlying the calculation. If this Analysis makes use of a Monte Carlo simulation, the term "Monte Carlo" will be included in the title. Simulation assumptions include the assumed rates of return and standard deviations of the portfolio model associated with each asset. The assumed rates of return are based on the historical rates of returns and standard deviations, for certain periods of time, for the benchmark indexes comprising the asset classes in the model portfolio. Since the market data used to generate these rates of return change over time your results will vary with each use over time.

IMPORTANT: The projects or other information generated by a Monte Carlo simulation regarding the likelihood of various investment outcomes are hypothetical in nature, do not reflect actual investment results and are not guarantees of future results.

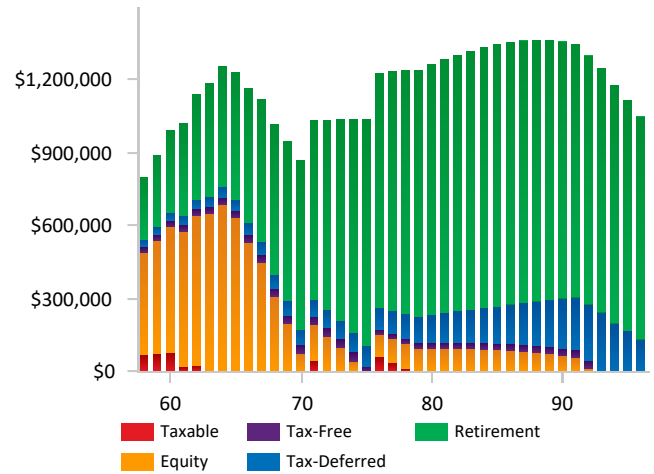


Summary for Allen & Betty Abbett

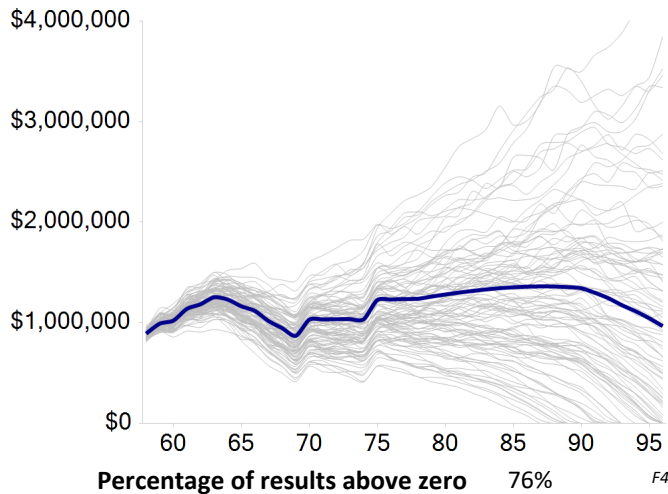
Net Worth



Account Summary



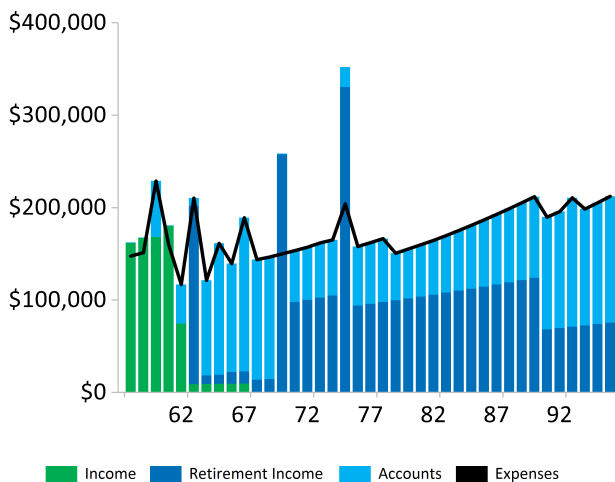
Monte Carlo



Retirement Analysis

Available for Retirement	\$800,990
Capital Projected to Last Until	Age 96+
 Retirement Need	
Projected Capital at Retirement	\$1,184,305
Needed at Retirement	\$1,059,713

Cash Flow - Income Sources



Action Items

This report is a customizable deliverable that allows advisors to produce a concise analysis for their clients on a single page.

- Include up to 6 modules on the report
- Save module sets to quickly load your favorite modules
- Enter custom messaging with the **Action Items/Custom Text** module

Introduction

A summary of the assumptions used in this analysis, a description of the purpose of the reports and a listing of assets, insurance and other details.

Assumptions

Retire 63/62 - Downsize & Move to WA

Prepared for Allen & Betty Abbett

01-Jan-18

The following basic information was used in preparing the reports. Other assumptions may have been used in preparation of this projection which are not shown here.

Basic Plan Assumptions:

	<u>Allen</u>	<u>Betty</u>
Current Age	58	57
Retirement Age	63	62
Annual Salary	\$95,000	\$52,000
Self employed income		\$8,000
Age to start Soc. Sec. benefits	70	70
Monthly Pension benefits		\$200

Personal Savings and Investment Accounts

This section includes amounts in your current savings and investment accounts.

<u>Asset Accounts</u>	<u>Amount</u>	<u>Monthly Additions</u>	<u>Interest Rate</u>	<u>Dividend Rate</u>	<u>Cap Gain Rate</u>	<u>Appr. Rate</u>
Taxable (at ordinary rates)	\$66,803		2.35			
Equity & other	420,187	261	0.28	0.77	0.74	5.51
Tax-deferred	30,000		6.50			
Tax-free	25,000		2.70			

Retirement Accounts:

This group includes tax deductible retirement plans like IRA, 401(k), profit sharing, etc.

	<u>Amount</u>	<u>Additions Pers./Comp.</u>	<u>Rate of Ret.</u>
Allen	133,500	633 / 475	6.00
Betty	97,300	260 / 260	6.50

Roth IRA and Roth 401(k) Accounts:

Betty	16,000	233	4.00
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Inherited IRAs:

Betty	12,200		6.00
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Assumptions Cont.

Retire 63/62 - Downsize & Move to WA

Current Living Expenses:

	<u>Average Per year</u>	<u>Per month</u>	<u>Basic personal monthly expense amounts at selected ages *</u>		
Personal expenses *	\$45,340	\$3,778			
Insurance premiums	4,460	372	<u>Age</u>	<u>Amount</u>	<u>Inflation</u>
Debt payments	20,400	1,700	58	3,778	3.20%
Asset account deposits	3,132	261	63	3,395	3.20%
Ret. account deposits	13,516	1,126	68	3,395	3.20%
Other exp. & stock opt.			73	3,395	3.20%
Itemized deductions	18,940	1,578	78	3,395	3.20%
Income tax and FICA	41,795	3,483			
Total expenses	\$147,583	\$12,299			

* In today's dollars, does not include insurance, debts, taxes, etc.

Mortgages & Loans:

	<u>Amount</u>	<u>Per month</u>
Auto Loans		
Credit Cards	6,640	100
Investment Loans		
Investment Real Estate		
Other Liabilities		
Personal Loans		
Residence Mortgage	172,000	1,600
RV and Boat Loans		
Totals	\$178,640	\$1,700

Other Assumptions:

Inflation (index) rate for income tax table breakpoints = 3.20%
 Joint income tax filing status.
 Assumed cost of living increase factor for Social Security benefits = 2.00%
 Life expectancy for Allen is age 90.
 Life expectancy for Betty is age 95.
 State income tax estimate is based on OR state tax tables.

Net Worth Statement

Retire 63/62 - Downsize & Move to WA

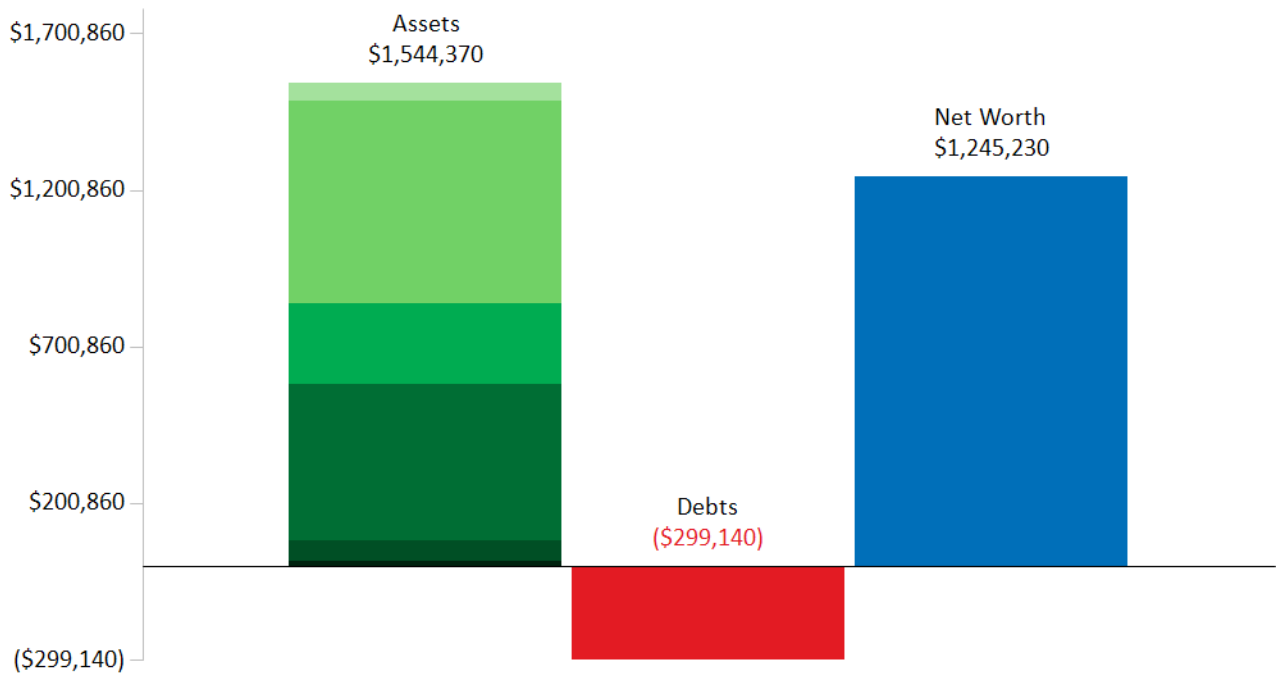
ASSETS

	<u>Allen</u>	<u>Betty</u>	<u>Joint / CP</u>	<u>Trust/Oth.</u>	<u>Total</u>
Savings Accounts:					
Checking accounts, cash			\$12,200		\$12,200
Savings accounts		3,500			3,500
Money Market accounts			31,603		31,603
Certificate of Deposit			20,000		20,000
Total		\$3,500	\$63,803		\$67,303
Investment Accounts:					
Stocks			55,224		55,224
Mutual Funds	302,805	2,745	29,063		334,613
Other ventures, businesses			24,600		24,600
Annuities (fixed, variable)	30,000				30,000
Gov't bonds, T Bills, Funds		19,500			19,500
Muni bonds, funds			25,000		25,000
Real Estate, REIT	5,750				5,750
Stock options (Bargain element)	1,480				1,480
Total	\$340,035	\$22,245	\$133,887		\$496,167
Retirement Accounts:					
401(k) accounts	133,500				133,500
403(b), SEP, Simple		97,300			97,300
Roth accounts		16,000			16,000
Inherited IRAs		12,200			12,200
Total	\$133,500	\$125,500			\$259,000
Personal Use Assets:					
Personal property	28,000				28,000
Autos	12,000		19,600		31,600
Total	\$40,000		\$19,600		\$59,600
Real Estate Assets:					
Residence	447,000				447,000
Rental real estate			200,000		200,000
Total	\$447,000		\$200,000		\$647,000
Insurance Cash Values:					
Insurance Cash Value, Dividends	12,450	2,850			15,300
Total	\$12,450	\$2,850			\$15,300
Total Assets	\$972,985	\$154,095	\$417,290		\$1,544,370
LIABILITIES					
	<u>Allen</u>	<u>Betty</u>	<u>Joint / CP</u>	<u>Trust/Other</u>	<u>Total</u>
Residence Mortgage			(\$172,000)		(\$172,000)
Credit Cards	(6,640)				(6,640)
Life insurance loans	(2,500)				(2,500)
Rental real estate			(118,000)		(118,000)
Total Liabilities	(\$9,140)		(\$290,000)		(\$299,140)
NET WORTH					
	\$963,845	\$154,095	\$127,290		\$1,245,230

Note: Assets held in a Revocable Trust are included in the grantors assets.

Net Worth

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Net Worth is the amount of assets remaining if all debts were paid off immediately. Typically over time an individual's net worth starts negative and grows until retirement or a little after then starts to decline as assets are spent.

Assets	\$1,544,370
Personal Assets	59,600
Real Estate	647,000
Retirement Accounts	259,000
Investment Accounts	496,167
Savings Accounts	67,303
Insurance Cash Values	15,300
Debts	(\$299,140)
Real Estate	(290,000)
Other Liabilities	(9,140)
Net Worth	\$1,245,230

Audit Trail Notes

Retire 63/62 - Downsize & Move to WA

The Audit Trail is used to help you find the source of all the numbers used in preparing your financial report. This report consists of multiple pages covering three primary sections:

Cash Flow	An illustration of the sources of income and expenditures.
Asset Accounts	Savings, investments, life insurance and retirement accounts.
Income Taxes	Estimates of income taxes each year.

Each of the sections includes a "summary" page, where you can visualize the results of your plan each year and see what might happen under the assumptions of inflation, taxes and changes to your assets and income sources.

Graphs:

Each section includes one or more graphs that will give you a quick way to visualize the flow of income, assets and taxes through the years.

Tracking Numbers:

In developing this plan, care has been taken to provide full documentation of the internal calculations and allow you to track the source of each number. At the bottom of many columns you will find, in small type, a code that will indicate the source of the value in the column. The following notes will assist in understanding the meaning of the codes.

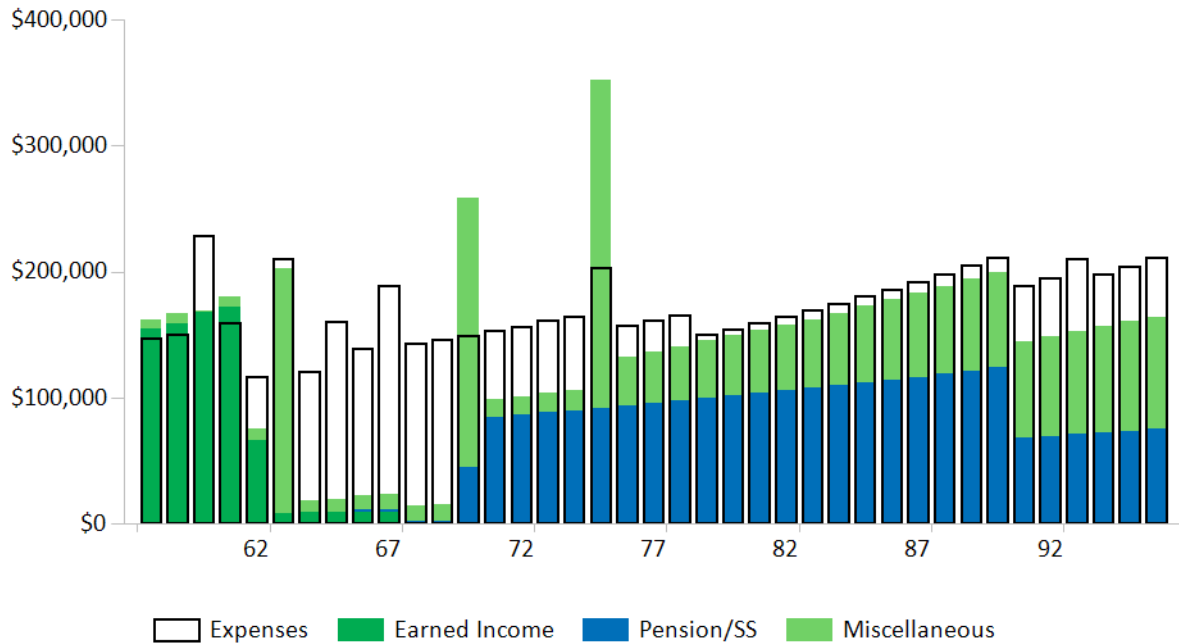
Cash Flow

An analysis of all cash income sources, expenses, and liabilities. Includes an estimate of social security, pensions, miscellaneous income or expense items, special financial goals or education funding requirements.

Cash Flow

Retire 63/62 - Downsize & Move to WA

Future Cash Flow - Income Sources vs Expenses



The bars in the above graph represent the amounts available from...

- Earned income (wages & self employment)
- Pension plans and Social Security
- Misc (inheritances, sale of residence, investment account systematic withdrawal plans or interest/dividends taken in cash, scheduled retirement account distributions or required minimum distribution amounts.)

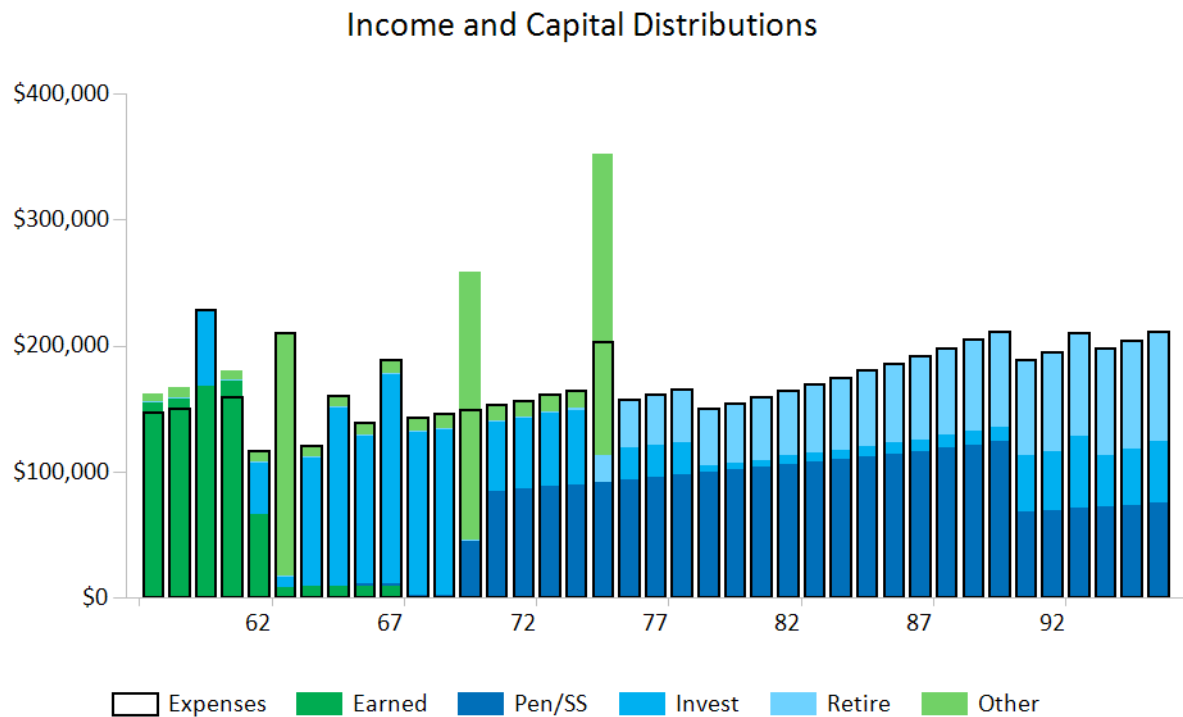
The black outline illustrates the annual expenses including ...

- Personal living expenses
- Life insurance and other premiums
- Mortgage and debt repayment
- Planned deposits to investments and retirement accounts
- Miscellaneous expense items
- Taxes

If income from various sources exceeds expenses, the excess is reinvested in savings and investment accounts. If expenses are greater than income, it is assumed that funds required to meet such excess expenses will be drawn from savings and investment accounts to make up the shortage.

Sources of Funds

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Each year your spendable money will come from several different sources, as shown above. When your expenses exceed the income available from earnings, pensions and Social Security, then withdrawals are made from your investment accounts or retirement plans.

Earned	Salaries and self employment income.
Pen/SS	Defined benefit pension plans and the total income from Social Security benefits.
Invest	Interest or dividends paid in cash or withdrawals from your investment accounts to meet spending requirements.
Retire	Distributions from your retirement accounts either to meet your spending needs, scheduled distributions, or distributions made to meet the IRS minimum distribution requirements.
Other	Other single year or multiple year sources of funds, excess proceeds from sale of your residence, or life insurance death benefits.

Current Year Cash Flow

Retire 63/62 - Downsize & Move to WA

	Monthly Amount	Annual Amount	Percent of Income
INCOME			
Salaries & Wages	\$12,250	\$147,000	90.66
Self Employment Income (Sch C)	667	8,000	4.93
Rental Real Estate	552	6,628	4.09
Retirement Account Distributions	43	517	0.32
Total income available	\$13,512	\$162,145	100.00
EXPENDITURES			
Federal and State Income Tax	\$2,452	\$29,420	18.14
FICA Taxes	1,031	12,376	7.63
Residence Mortgage	1,600	19,200	11.84
Credit Cards	100	1,200	0.74
Life Insurance Premiums	244	2,925	1.80
Homeowners & Other Insurance	57	685	0.42
Auto Insurance	33	400	0.25
Disability Insurance	38	450	0.28
Saving and Investment Additions	261	3,132	1.93
Retirement Account Additions (IRA, 401(k), TSA, etc.)	1,126	13,516	8.34
Charitable Contributions	625	7,500	4.63
Property Taxes	745	8,940	5.51
Medical Expenses	208	2,500	1.54
Miscellaneous Expense	1,000	12,000	7.40
Food and Household Expenses	300	3,600	2.22
Utilities and Bills	445	5,340	3.29
Auto Operating and Maintenance	367	4,400	2.71
Holidays	167	2,000	1.23
Domestic Help	250	3,000	1.85
Clothing	458	5,500	3.39
Property Improvements/Upkeep	500	6,000	3.70
Vacations	167	2,000	1.23
Pet Expenses	83	1,000	0.62
Books/Subscriptions	42	500	0.31
Total spending and savings	\$12,299	\$147,584	91.02
Cash flow surplus (Income less Spending)	\$1,213	\$14,561	

Future Year Cash Flow at Allen's Age 63

Retire 63/62 - Downsize & Move to WA

	Monthly Amount	Annual Amount	Percent of Income
INCOME			
Self Employment Income (Sch C)	\$736	\$8,833	4.36
Rental Real Estate	736	8,831	4.36
Other Income Items, Stock Options	15,349	184,191	90.94
Retirement Account Distributions	58	696	0.34
Total income available	\$16,879	\$202,551	100.00
EXPENDITURES			
Federal and State Income Tax	\$1,588	\$19,060	9.41
FICA Taxes	168	2,022	1.00
Residence Mortgage	9,268	111,215	54.91
Credit Cards	100	1,200	0.59
Life Insurance Premiums	212	2,550	1.26
Homeowners & Other Insurance	67	802	0.40
Auto Insurance	39	468	0.23
Charitable Contributions	690	8,281	4.09
Property Taxes	617	7,403	3.65
Medical Expenses	798	9,572	4.73
Miscellaneous Expense	1,171	14,047	6.93
Food and Household Expenses	254	3,043	1.50
Utilities and Bills	326	3,910	1.93
Auto Operating and Maintenance	371	4,448	2.20
Holidays	195	2,341	1.16
Domestic Help	293	3,512	1.73
Clothing	293	3,512	1.73
Property Improvements/Upkeep	439	5,268	2.60
Vacations	488	5,853	2.89
Pet Expenses	98	1,171	0.58
Books/Subscriptions	49	585	0.29
Total spending and savings	\$17,524	\$210,262	103.81
Cash flow surplus (Income less Spending)	(\$645)	(\$7,711)	

Five Year Cash Flow at Allen's Age 63

Retire 63/62 - Downsize & Move to WA

	Allen's Age Betty's Age	63	64	65	66	67
		62	63	64	65	66
INCOME						
Self Employment Income		\$8,833	\$9,009	\$9,189	\$9,373	\$9,561
Rental Real Estate		8,831	9,299	9,775	10,262	10,758
Other Income Items		184,191				
Pension Income					2,400	2,448
Retirement Account Dist.		696	739	785	833	885
Social Security						
Total income available		\$202,551	\$19,047	\$19,750	\$22,868	\$23,651
EXPENDITURES						
Federal and State Income Tax		\$19,060				
FICA Taxes		2,022	1,273	1,298	1,324	1,351
Residence Mortgage		111,215	35,918	35,918	35,918	35,918
Credit Cards		1,200	1,200	1,200	1,200	1,200
Life Insurance Premiums		2,550	2,550	2,550	2,550	2,550
Homeowners & Other Ins.		802	828	854	881	910
Auto Insurance		468	483	499	515	531
Charitable Contributions		8,281	8,446	8,615	8,787	8,963
Property Taxes		7,403	11,402	11,630	11,863	12,100
Medical Expenses		9,572	10,051	10,553	11,081	11,635
Other Expenses				37,401	12,866	59,749
Miscellaneous Expense		14,047	14,496	14,960	15,439	15,933
Food and Household Expenses		3,043	3,141	3,241	3,345	3,452
Utilities and Bills		3,910	4,035	4,164	4,297	4,435
Auto Operating and Maintenance		4,448	4,591	4,737	4,889	5,045
Holidays		2,341	2,416	2,493	2,573	2,656
Domestic Help		3,512	3,624	3,740	3,860	3,983
Clothing		3,512	3,624	3,740	3,860	3,983
Property Improvements/Upkeep		5,268	5,436	5,610	5,790	5,975
Vacations		5,853	6,040	6,233	6,433	6,639
Pet Expenses		1,171	1,208	1,247	1,287	1,328
Books/Subscriptions		585	604	623	643	664
Total spending and savings		\$210,262	\$121,366	\$161,308	\$139,400	\$188,999
Cash flow surplus		(\$7,711)	(\$102,319)	(\$141,559)	(\$116,532)	(\$165,348)

Five Year Cash Flow at Allen's Age 68

Retire 63/62 - Downsize & Move to WA

	68	69	70	71	72
Allen's Age	68	69	70	71	72
Betty's Age	67	68	69	70	71

INCOME

Self Employment Income					
Rental Real Estate	11,264	11,780	12,306	12,843	13,391
Other Income Items			200,000		
Pension Income	2,497	2,547	2,598	2,650	2,703
Retirement Account Dist.	940	998	1,060	1,127	1,198
Social Security			42,442	82,385	84,033
Total income available	\$14,700	\$15,325	\$258,406	\$99,005	\$101,324

EXPENDITURES

Federal and State Income Tax					
FICA Taxes					
Residence Mortgage	35,918	35,918	35,918	35,918	35,918
Credit Cards	557				
Life Insurance Premiums	2,550	2,550	2,550	2,550	2,550
Homeowners & Other Ins.	939	969	1,000	1,032	1,065
Auto Insurance	548	566	584	602	622
Charitable Contributions	9,142	9,325	9,512	9,702	9,896
Property Taxes	12,342	12,589	12,841	13,098	13,360
Medical Expenses	12,217	12,828	13,469	14,142	14,849
Other Expenses	13,702	14,141	14,593	15,060	15,542
Miscellaneous Expense	16,443	16,969	17,512	18,072	18,651
Food and Household Expenses	3,563	3,677	3,794	3,916	4,041
Utilities and Bills	4,577	4,723	4,874	5,030	5,191
Auto Operating and Maintenance	5,207	5,374	5,545	5,723	5,906
Holidays	2,740	2,828	2,919	3,012	3,108
Domestic Help	4,111	4,242	4,378	4,518	4,663
Clothing	4,111	4,242	4,378	4,518	4,663
Property Improvements/Upkeep	6,166	6,363	6,567	6,777	6,994
Vacations	6,851	7,070	7,297	7,530	7,771
Pet Expenses	1,370	1,414	1,459	1,506	1,554
Books/Subscriptions	685	707	730	753	777
Total spending and savings	\$143,739	\$146,495	\$149,920	\$153,461	\$157,121

Cash flow surplus **(\$129,038)** **(\$131,170)** **\$108,486** **(\$54,456)** **(\$55,797)**

Cash Flow Illustration

Retire 63/62 - Downsize & Move to WA

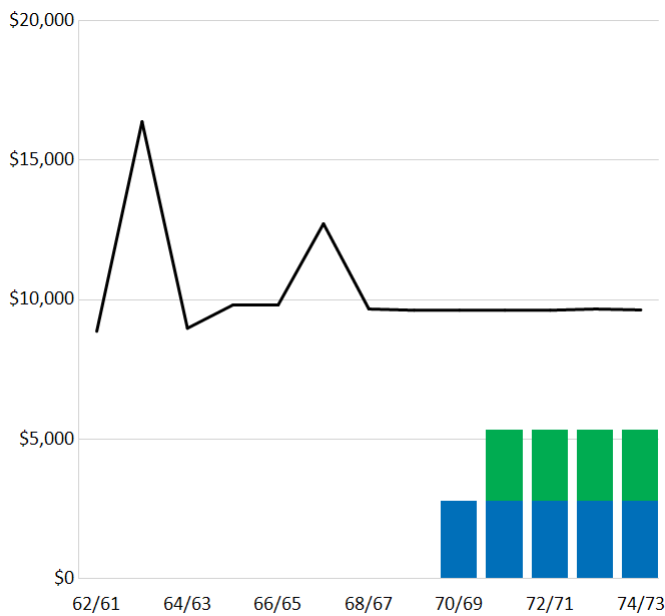
Ages	Scheduled Cash flow sources and Required Minimum Distributions					Total Sources	Less Living Expense & Taxes	Surplus (Shortage)
	Earned Income	Retire/HSA Accounts *	Investment Accounts *	Pension/ SocSec	Other Income			
	1	2	3	4	5	6	7	8
58 57	\$155,000	\$517			\$6,628	\$162,145	(\$147,583)	\$14,562
59 58	158,835	549			8,165	167,548	(151,263)	16,286
60 59	168,018	582				168,600	(228,713)	(60,112)
61 60	172,177	618			7,924	180,719	(159,905)	20,814
62 61	66,058	656			8,373	75,087	(116,788)	(41,702)
63 R 62 R	8,833	696			193,022	202,551	(210,262)	(7,711)
64 63	9,009	739			9,299	19,047	(121,366)	(102,319)
65 64	9,189	785			9,775	19,750	(161,309)	(141,559)
66 65	9,373	833		2,400	10,262	22,868	(139,401)	(116,533)
67 66	9,561	885		2,448	10,758	23,651	(188,999)	(165,348)
68 67		940		2,497	11,264	14,700	(143,739)	(129,038)
69 68		998		2,547	11,780	15,325	(146,495)	(131,170)
70 69		1,060		45,040	212,306	258,406	(149,920)	108,486
71 70		1,127		85,035	12,843	99,005	(153,461)	(54,456)
72 71		1,198		86,736	13,391	101,324	(157,121)	(55,797)
73 72		1,273		88,470	13,949	103,693	(161,779)	(58,086)
74 73		1,354		90,240	14,519	106,113	(165,074)	(58,961)
75 74		21,588		92,045	238,228	351,860	(204,080)	147,780
76 75		38,663		93,885		132,549	(157,950)	(25,401)
77 76		40,849		95,763		136,612	(162,083)	(25,470)
78 77		43,183		97,678		140,861	(166,411)	(25,549)
79 78		45,732		99,632		145,364	(150,585)	(5,221)
80 79		48,438		101,625		150,062	(155,223)	(5,161)
81 80		50,319		103,657		153,976	(159,849)	(5,873)
82 81		51,709		105,730		157,439	(164,522)	(7,083)
83 82		54,526		107,845		162,371	(169,719)	(7,348)
84 83		57,528		110,002		167,530	(175,188)	(7,658)
85 84		60,618		112,202		172,820	(180,846)	(8,026)
86 85		63,672		114,446		178,118	(186,666)	(8,549)
87 86		66,839		116,735		183,574	(192,681)	(9,107)
88 87		69,832		119,069		188,901	(198,834)	(9,933)
89 88		72,967		121,451		194,418	(205,219)	(10,800)
90 L 89		76,084		123,880		199,963	(211,799)	(11,836)
91 90		76,458		68,265		144,723	(189,665)	(44,942)
92 91		79,296		69,630		148,926	(195,651)	(46,725)
93 92		82,110		71,023		153,133	(210,594)	(57,461)
94 93		84,872		72,444		157,316	(198,452)	(41,136)
95 94		86,625		73,892		160,517	(205,155)	(44,638)
96 95 L		88,171		75,370		163,541	(212,176)	(48,635)
97 96								

* Scheduled distributions, interest or dividends taken in cash or amounts taken to meet the IRS minimum distribution requirements.

R = Retirement Age, L = Life Expectancy

Social Security Comparison

Retire 63/62 - Downsize & Move to WA



Optimal Claiming Strategy

Allen files for delayed retirement benefits at 70

■ \$2,789 per month

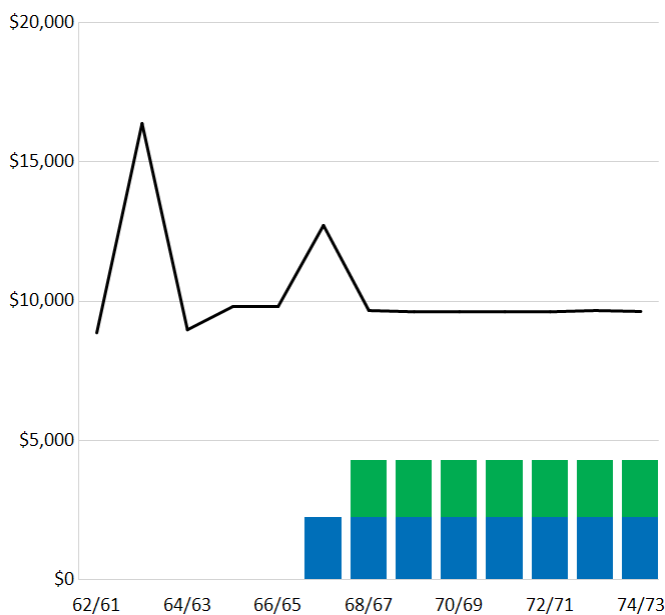
Betty files for delayed retirement benefits at 70

■ \$2,518 per month

Betty claims survivor benefits at 90

■ \$2,789 per month

— Monthly Expenses



Full Retirement Strategy

Allen files for full retirement benefits at 67

■ \$2,249 per month

Betty files for full retirement benefits at 67

■ \$2,031 per month

Betty claims survivor benefits at 90

■ \$2,249 per month

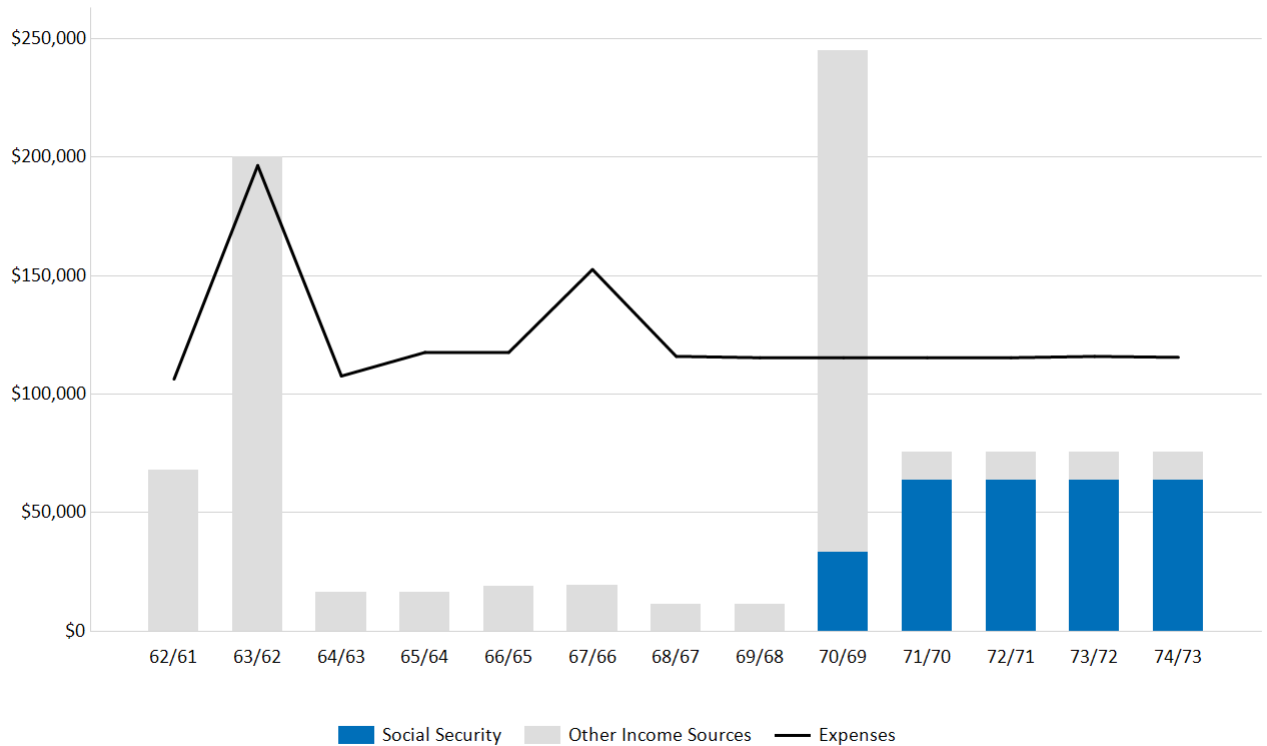
— Monthly Expenses

*All amounts on this page are in today's dollars and show gross monthly benefits.

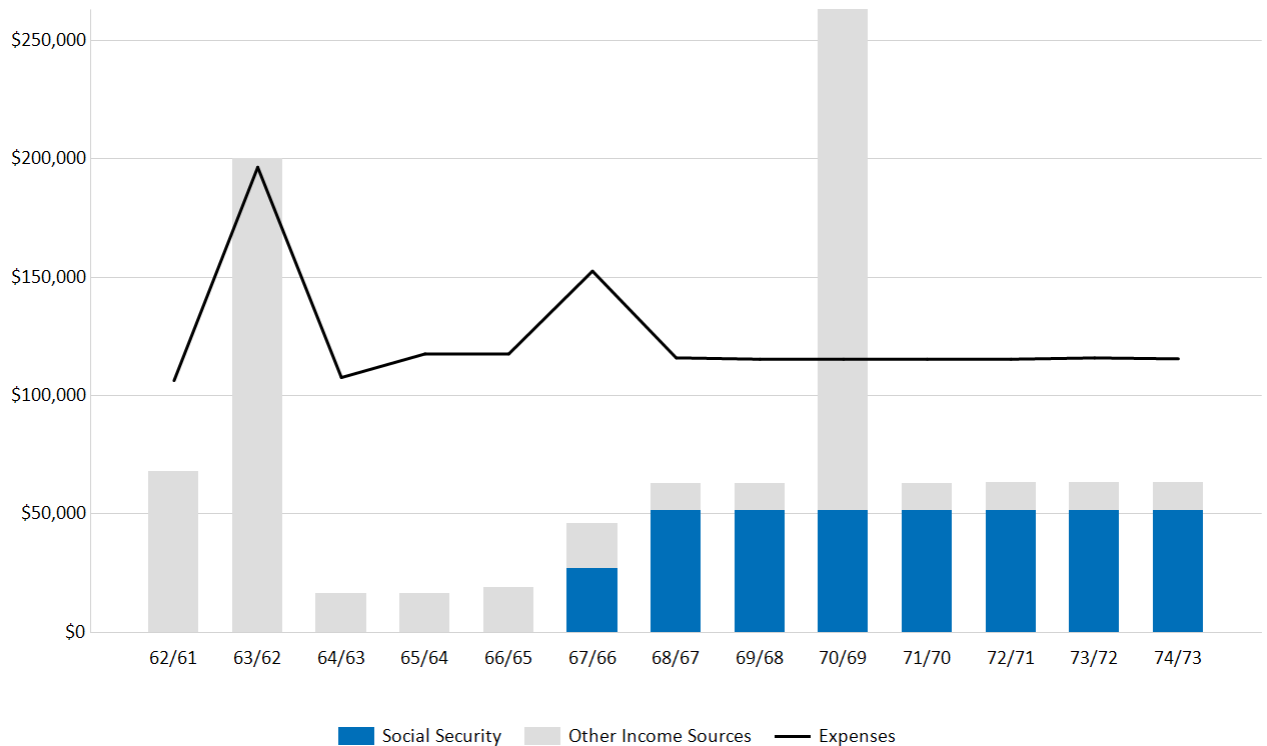
Social Security Income Comparison

Retire 63/62 - Downsize & Move to WA

Optimal Strategy



Full Retirement Age

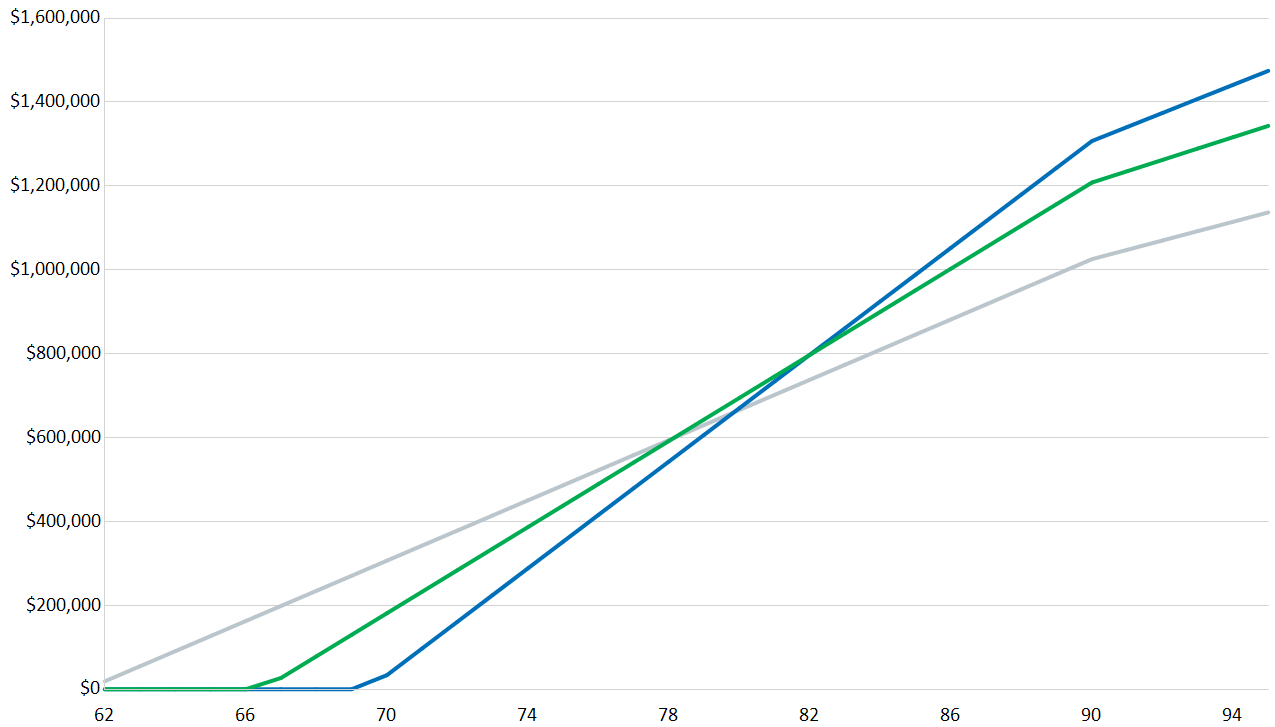


*All amounts on this page are in today's dollars and show gross monthly benefits.

Social Security Breakeven Point

Retire 63/62 - Downsize & Move to WA

Total Income Received



Age	Year	File at 62/62	Optimal Strategy	FRA Strategy
62	61	2027	\$18,892	
63	62	2028	54,844	
64	63	2029	90,796	
65	64	2030	126,748	
66	65	2031	162,700	
67	66	2032	198,652	26,988
68	67	2033	234,604	78,348
69	68	2034	270,556	129,708
70	69	2035	306,508	181,068
71	70	2036	342,460	232,428
72	71	2037	378,412	283,788
73	72	2038	414,364	335,148
74	73	2039	450,316	386,508
75	74	2040	486,268	437,868
76	75	2041	522,220	489,228
77	76	2042	558,172	540,588
78	77	2043	594,124	591,948
79	78	2044	630,076	643,308
80	79	2045	666,028	694,668
81	80	2046	701,980	746,028
82	81	2047	737,932	797,388
83	82	2048	773,884	848,748
84	83	2049	809,836	900,108
85	84	2050	845,788	951,468
86	85	2051	881,740	1,002,828
87	86	2052	917,692	1,054,188
88	87	2053	953,644	1,105,548
89	88	2054	989,596	1,156,908
90	89	2055	1,025,548	1,208,268

*All amounts on this page are in today's dollars and show gross monthly benefits.

Social Security Income (Today's Dollars)

Retire 63/62 - Downsize & Move to WA

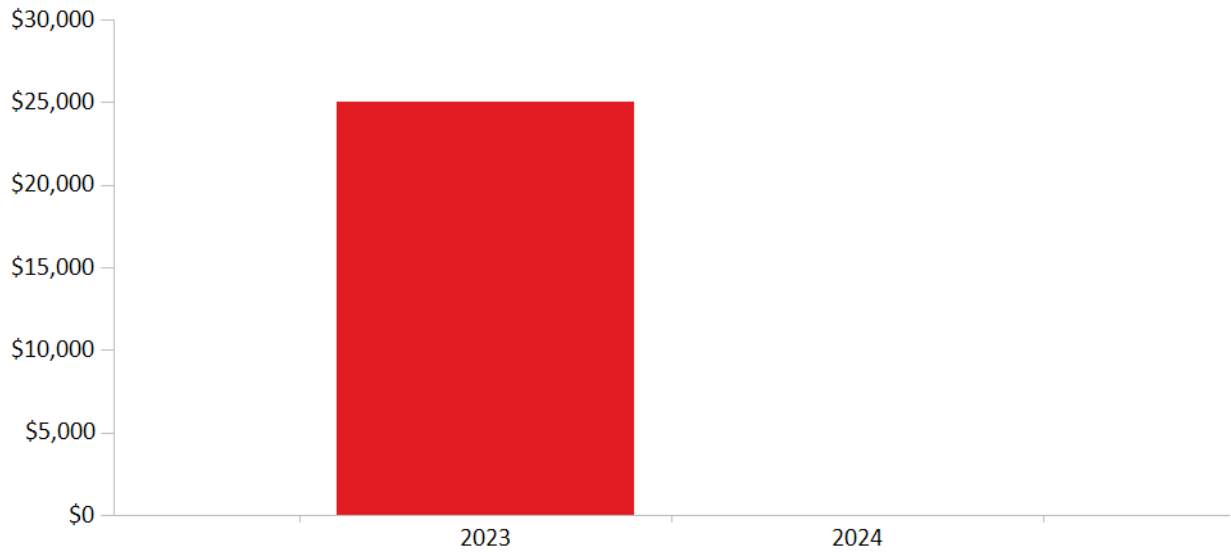
Ages	Expenses	Retirement Income			Remaining Expenses Before SS	Social Security Income		
		Earned Income	Pension	Other Income		62/62	Optimal Strategy	FRA Strategy
	1	2	3	4	5	6	7	8
58	57	\$147,583		\$7,145				
59	58	147,457		8,443				
60	59	216,492		547	55,946			
61	60	148,064		7,771				
62	61	106,350		7,960	38,390	18,892		
63	62	196,505		192,065		35,952		
64	63	107,672		8,309	91,362	35,952		
65	64	117,659		8,470	101,189	35,952		
66	65	117,647	2,400	8,624	98,624	35,952		
67	66	152,635	8,000	8,769	133,467	35,952		26,988
68	67	115,974	2,400	8,906	104,669	35,952		51,360
69	68	115,418	2,400	9,036	103,982	35,952		51,360
70	69	115,418	2,400	209,159		35,952	33,465	51,360
71	70	115,418	2,400	9,276	103,742	35,952	63,686	51,360
72	71	115,418	2,400	9,386	103,632	35,952	63,686	51,360
73	72	115,962	2,400	9,491	104,071	35,952	63,686	51,360
74	73	115,571	2,400	9,590	103,582	35,952	63,686	51,360
75	74	136,031	2,400	152,093		35,952	63,686	51,360
76	75	106,850	2,400	21,931	82,519	35,952	63,686	51,360
77	76	107,008	2,400	22,453	82,155	35,952	63,686	51,360
78	77	107,188	2,400	22,999	81,789	35,952	63,686	51,360
79	78	87,076	2,400	23,602	61,074	35,952	63,686	51,360
80	79	87,249	2,400	24,223	60,626	35,952	63,686	51,360
81	80	87,333	2,400	24,384	60,549	35,952	63,686	51,360
82	81	87,361	2,400	24,280	60,681	35,952	63,686	51,360
83	82	87,552	2,400	24,809	60,342	35,952	63,686	51,360
84	83	87,776	2,400	25,363	60,013	35,952	63,686	51,360
85	84	87,994	2,400	25,897	59,697	35,952	63,686	51,360
86	85	88,189	2,400	26,358	59,431	35,952	63,686	51,360
87	86	88,375	2,400	26,811	59,163	35,952	63,686	51,360
88	87	88,526	2,400	27,143	58,983	35,952	63,686	51,360
89	88	88,678	2,400	27,483	58,796	35,952	63,686	51,360
90	89	88,815	2,400	27,768	58,647	35,952	63,686	51,360
	90	77,481	2,400	27,039	48,043	22,265	33,465	26,988
	91	77,540	2,400	27,173	47,966	22,265	33,465	26,988
	92	80,498	2,400	27,265	50,833	22,265	33,465	26,988
	93	63,875	2,400	27,308	34,166	22,265	33,465	26,988
	94	63,882	2,400	27,008	34,474	22,265	33,465	26,988
	95	63,911	2,400	26,638	34,873	22,265	33,465	26,988

Education Funding

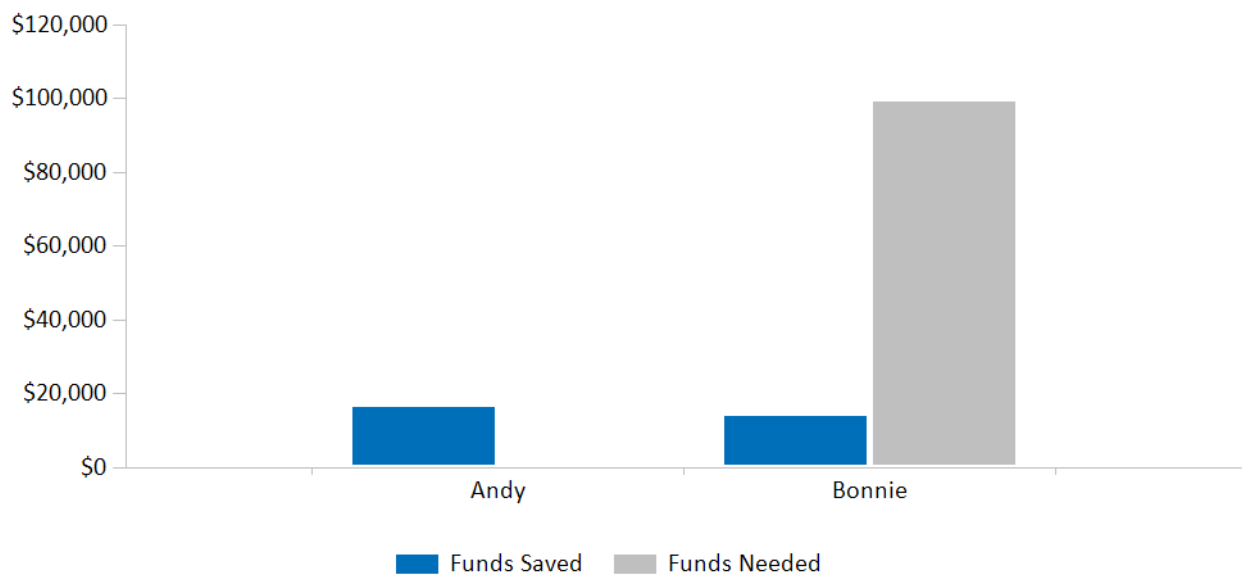
Retire 63/62 - Downsize & Move to WA

The following analyses assume that education costs increase at 5.00%. Education funds assume the use of a 529 college fund or an after tax rate of return on funds at 5.00%.

Annual Education Costs



Lump Sum Funding



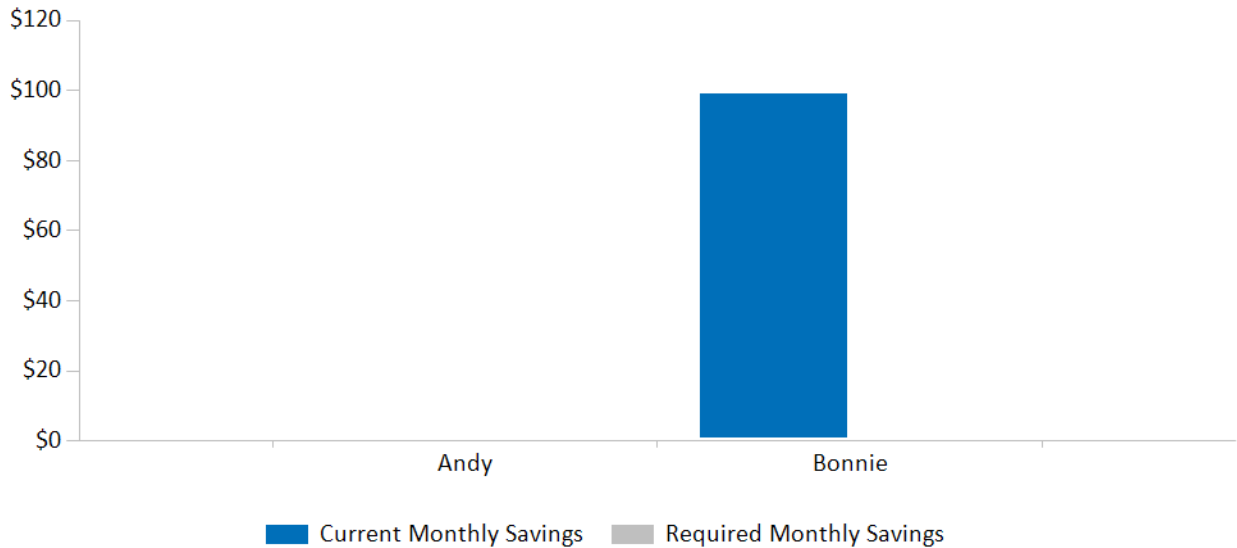
Total Funds Needed Now	\$25,000
Current Total Funds Saved	\$32,300
Additional Lump Sum Needed Now	<u> </u>

Education Funding

Retire 63/62 - Downsize & Move to WA

The following analyses assume that education costs increase at 5.00%. Education funds assume the use of a 529 college fund or an after tax rate of return on funds at 5.00% with a current balance of \$32,300.

Monthly Deposits - Seperate Accounts



Total Required Monthly Savings*

Current Total Monthly Savings

\$100

Additional Required Monthly Savings

** This is the required savings starting today, with each account funded separately. Monthly deposits will decrease as each student finishes school.*

Monthly Deposits - Level Payments



Total Required Monthly Savings**

Current Total Monthly Savings

\$100

Additional Required Monthly Savings

*** This is the required savings starting today if all funds are consolidated into a single account. Monthly deposits will remain level until the last student finishes school.*

Education Costs

Retire 63/62 - Downsize & Move to WA

The following analyses assume that education costs increase at 5.00%. Education funds assume the use of a 529 college fund or an after tax rate of return on funds at 5.00%.

Student	Age	Number of Years	Starting Year	Annual Costs	Parent's Total Costs			
					Inflated at 5.00%	Funds Available	Funding Amount Required*	
							Lump Sum	Per Month
Andy	23	4	2018	\$25,000		\$17,500		
Bonnie	21	4	2020	\$25,000	\$25,000	\$14,800	\$10,200	
Totals				\$50,000	\$25,000	\$32,300	\$10,200	\$0**

Lump Sum Funding

Lump sum needed to fund future costs	\$25,000
Funds now available for college expenses	\$32,300
Additional lump sum needed now	<u><u> </u></u>

Monthly Deposits - Separate Accounts

Deposits needed now considering \$32,300 available now**	
Current deposits	\$100
Additional deposits needed now	<u><u> </u></u>

Monthly Deposits - Level Payments

Deposits needed now considering \$32,300 available now***	\$100
Current deposits	\$100
Additional deposits needed now	<u><u> </u></u>

* Funding amounts required take into account current funds available

** This is the required savings starting today, with each account funded separately. Total monthly deposits will decrease as each student finishes school.

*** This is the required savings starting today if all funds are consolidated into a single account. Monthly deposits will remain level until the last student finishes school.

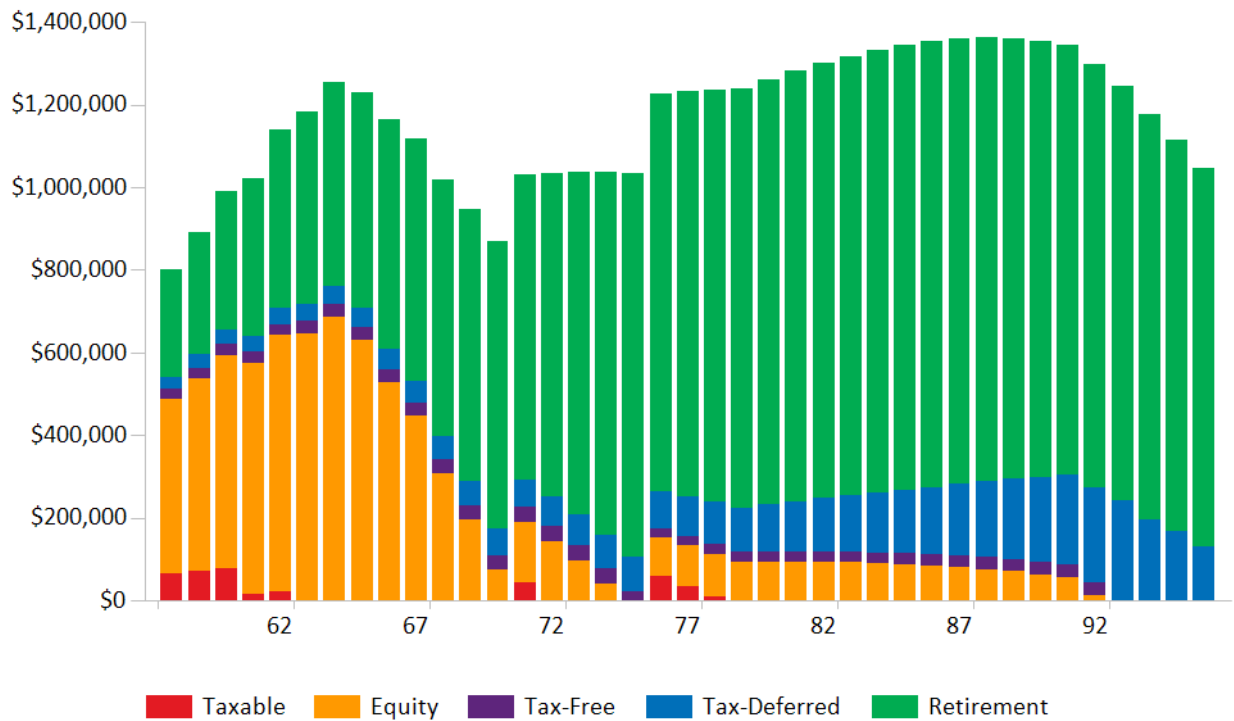
Assets

Details of your existing assets, changes due to additions or withdrawals, rate of return and, where appropriate, stock options.

Assets are divided into taxable, tax free, tax deferred, equity, retirement accounts, IRA and Roth IRA accounts.

Account Summary

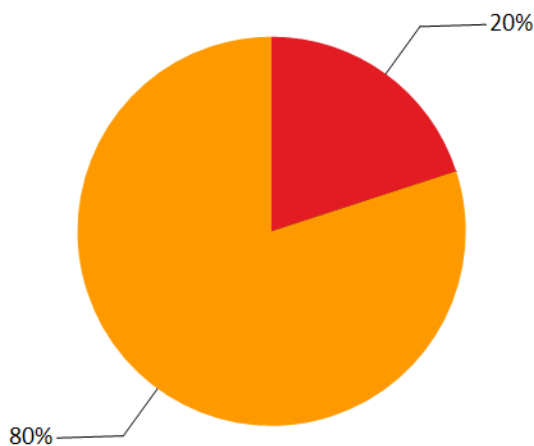
Retire 63/62 - Downsize & Move to WA



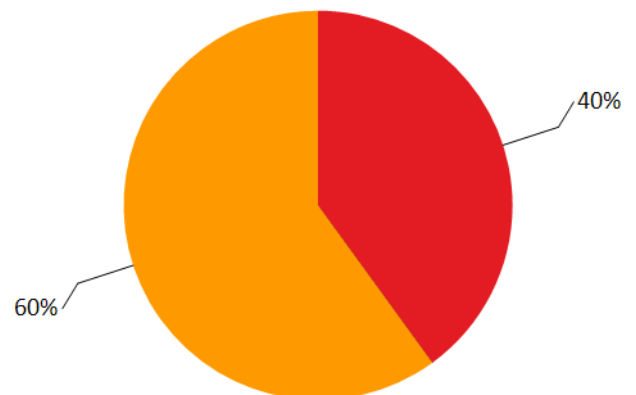
Allocation of Surplus Cash Flow

In years when there is a surplus of spendable income, the surplus is reinvested into the asset accounts in the proportions shown below. Period 1 covers the years up to age 65.

Surplus Allocation in Period 1



Surplus Allocation in Period 2



In years when there is a shortage of spendable income from earnings, pensions, social security, interest and dividends taken in cash, and miscellaneous income sources, the shortage is made up by withdrawals from asset and retirement accounts. It is assumed that funds are taken in the following order - from taxable, equity and other non-qualified, tax-free, tax-deferred and then qualified retirement accounts.

Account Summary

Retire 63/62 - Downsize & Move to WA

Ages		Taxable Account 2.35%	Equity & Other 7.30%	Tax Free 2.70%	Tax Deferred 6.50%	Retirement accounts		Roth IRAs/HSAs		Begin. Year Account Totals
		1	2	3	4	Allen 6.00%	Betty 6.50%	Allen 7.50%	Betty 4.00%	9
58	57	\$66,803	\$420,187	\$25,000	\$30,000	\$133,500	\$109,500		\$16,000	\$800,990
59	58	71,325	466,225	25,675	31,950	155,238	122,480		19,496	892,390
60	59	76,302	517,089	26,368	34,027	178,624	136,432		23,232	992,074
61	60	17,222	558,158	27,080	36,238	204,524	151,421		27,221	1,021,865
62	61	21,843	619,559	27,811	38,594	232,358	167,516		31,477	1,139,158
63	62		647,536	28,562	41,103	246,299	184,791		36,013	1,184,305
64	63		686,802	29,333	43,774	261,077	196,019		37,454	1,254,460
65	64		630,625	30,125	46,620	276,742	207,933		38,952	1,230,997
66	65		529,571	30,939	49,650	293,346	220,573		40,510	1,164,590
67	66		447,145	31,774	52,877	310,947	233,986		42,131	1,118,860
68	67		307,975	32,632	56,314	329,604	248,217		43,816	1,018,558
69	68		196,374	33,513	59,975	349,380	263,317		45,568	948,128
70	69		74,410	34,418	63,873	370,343	279,340		47,391	869,775
71	70	43,946	146,063	35,347	67,705	392,564	296,341		49,287	1,031,253
72	71		143,978	36,302	71,768	416,118	314,380		51,258	1,033,803
73	72		95,022	37,282	76,074	441,085	333,521		53,309	1,036,292
74	73		40,767	38,288	80,638	467,550	353,831		55,441	1,036,515
75	74			20,863	85,476	495,603	375,380		57,659	1,034,981
76	75	59,863	91,524	21,426	90,605	504,543	398,245		59,965	1,226,171
77	76	35,548	97,016	22,005	96,041	512,842	406,112		62,364	1,231,926
78	77	10,591	102,837	22,599	101,804	520,496	413,378		64,858	1,236,561
79	78		93,566	23,209	107,912	527,305	420,016		67,452	1,239,460
80	79		93,791	23,835	114,387	533,147	425,833		70,151	1,261,144
81	80		94,092	24,479	121,250	537,892	430,688		72,957	1,281,358
82	81		93,676	25,140	128,525	541,547	435,262		75,875	1,300,024
83	82		91,985	25,819	136,236	543,824	440,336		78,910	1,317,109
84	83		89,920	26,516	144,410	544,739	444,326		82,066	1,331,977
85	84		87,411	27,232	153,075	543,954	447,228		85,349	1,344,249
86	85		84,371	27,967	162,260	541,499	448,749		88,763	1,353,608
87	86		80,609	28,722	171,995	537,216	448,893		92,313	1,359,749
88	87		76,045	29,498	182,315	530,941	447,509		96,006	1,362,313
89	88		70,355	30,294	193,254	522,794	444,436		99,846	1,360,979
90	89		63,428	31,112	204,849	512,330	439,753	103,840		1,355,312
91	90		55,017	31,952	217,140	499,723	433,059	107,994		1,344,884
92	91		11,928	32,815	230,168	487,426	424,473	112,313		1,299,124
93	92				241,933	472,921	413,866	116,806		1,245,526
94	93				197,137	456,097	401,110	121,478		1,175,822
95	94				166,503	436,850	386,084	126,337		1,115,775
96	95				130,418	415,596	369,122	131,391		1,046,526
97	96				88,041	392,331	350,194	136,646		967,213

Note: Rates shown above are for first year only. Refer to account reports for future year rates.

Total Working Assets

Retire 63/62 - Downsize & Move to WA

Ages	Account Balances	Contributions		Withdrawals			Annual Return
		Personal Deposits	Company Deposits	Personal Scheduled	Surplus or (Shortage)	Required Min. Distr*	
	1	2	3	4	5	6	7
58 57	\$800,990	\$16,648	\$8,820		\$14,562	(\$517)	\$51,887
59 58	892,390	17,043	9,041		16,286	(549)	57,864
60 59	992,074	17,868	9,582		(60,112)	(582)	63,035
61 60	1,021,865	18,295	9,821		20,814	(618)	68,981
62 61	1,139,158	9,903	3,444		(41,702)	(656)	74,158
63 62	1,184,305				(7,711)	(696)	78,562
64 63	1,254,460				(102,319)	(739)	79,595
65 64	1,230,997				(141,559)	(785)	75,937
66 65	1,164,590				(116,533)	(833)	71,635
67 66	1,118,860				(165,348)	(885)	65,931
68 67	1,018,558				(129,038)	(940)	59,548
69 68	948,128				(131,170)	(998)	53,815
70 69	869,775				108,486	(1,060)	54,052
71 70	1,031,253				(54,456)	(1,127)	58,133
72 71	1,033,803				(55,797)	(1,198)	59,484
73 72	1,036,292				(58,086)	(1,273)	59,582
74 73	1,036,515				(58,961)	(1,354)	58,782
75 74	1,034,981				147,780	(21,588)	64,998
76 75	1,226,171				(25,401)	(38,663)	69,819
77 76	1,231,926				(25,470)	(40,849)	70,955
78 77	1,236,561				(25,549)	(43,183)	71,631
79 78	1,239,460				(5,221)	(45,732)	72,637
80 79	1,261,144				(5,161)	(48,438)	73,812
81 80	1,281,358				(5,873)	(50,319)	74,858
82 81	1,300,024				(7,083)	(51,709)	75,877
83 82	1,317,109				(7,348)	(54,526)	76,742
84 83	1,331,977				(7,658)	(57,528)	77,457
85 84	1,344,249				(8,026)	(60,618)	78,004
86 85	1,353,608				(8,549)	(63,672)	78,361
87 86	1,359,749				(9,107)	(66,839)	78,510
88 87	1,362,313				(9,933)	(69,832)	78,431
89 88	1,360,979				(10,800)	(72,967)	78,100
90 89	1,355,312				(11,836)	(76,084)	77,491
91 90	1,344,884				(44,942)	(76,458)	75,639
92 91	1,299,124				(46,725)	(79,296)	72,423
93 92	1,245,526				(57,461)	(82,110)	69,867
94 93	1,175,822				(41,136)	(84,872)	65,961
95 94	1,115,775				(44,638)	(86,625)	62,014
96 95	1,046,526				(48,635)	(88,171)	57,492
97 96	967,213						

This report summarizes all the asset reports including savings and investments and retirement accounts.

Income Tax

Analysis of your taxable income sources, deductions and Federal and State taxes due.

The analysis includes special dividend and capital gain rates, AMT and other items affecting your income tax and financial results.

These reports are estimates only and should not be relied on for preparation of your income tax return.

Income Tax - Current Year

Retire 63/62 - Downsize & Move to WA

The following calculations give an idea of the amount of taxes you might pay based on the income and asset information provided. These amounts are approximations only and the actual tax amounts may be higher or lower than illustrated.

INCOME:

	Gross	Taxable
Salaries and wages	\$147,000	\$147,000
Interest	5,423	2,798
Dividends*	3,294	3,294
Schedule C (self employment)	8,000	8,000
Schedule D (net gain/loss)	3,176	3,176
Schedule E (passive gain/loss)	3,281	3,281
Pension income & retirement distributions	517	517
GROSS INCOME		\$168,067

Adjustments:

Retirement plan deposits - Allen		(\$7,600)
Retirement plan deposits - Betty		(3,120)
Self Employment FICA	1,130	
ADJUSTED GROSS INCOME		\$156,782

Itemized Deductions:

	Gross	Allowed
Mortgage interest	\$7,280	\$7,280
Charitable Contributions	7,500	7,500
Medical expenses	2,500	
State, Property, and Other Tax	19,799	10,000
Itemized deductions		\$24,780
or Standard deductions		\$27,700
		(\$27,700)
TAXABLE INCOME		\$129,082

TAX SUMMARY:

Federal Income Tax	\$18,560
FICA (Social Security) & HI Tax	12,376
State Income Tax	10,859
TOTAL TAXES	\$41,795

Your combined federal & state marginal tax bracket is 31.00%

Your total taxes equal 26.66% of your Adjusted Gross Income, and 32.38% of your Taxable income.

*Dividend and Capital Gains taxed marginally at 15.00%.

Tax Summary

Retire 63/62 - Downsize & Move to WA

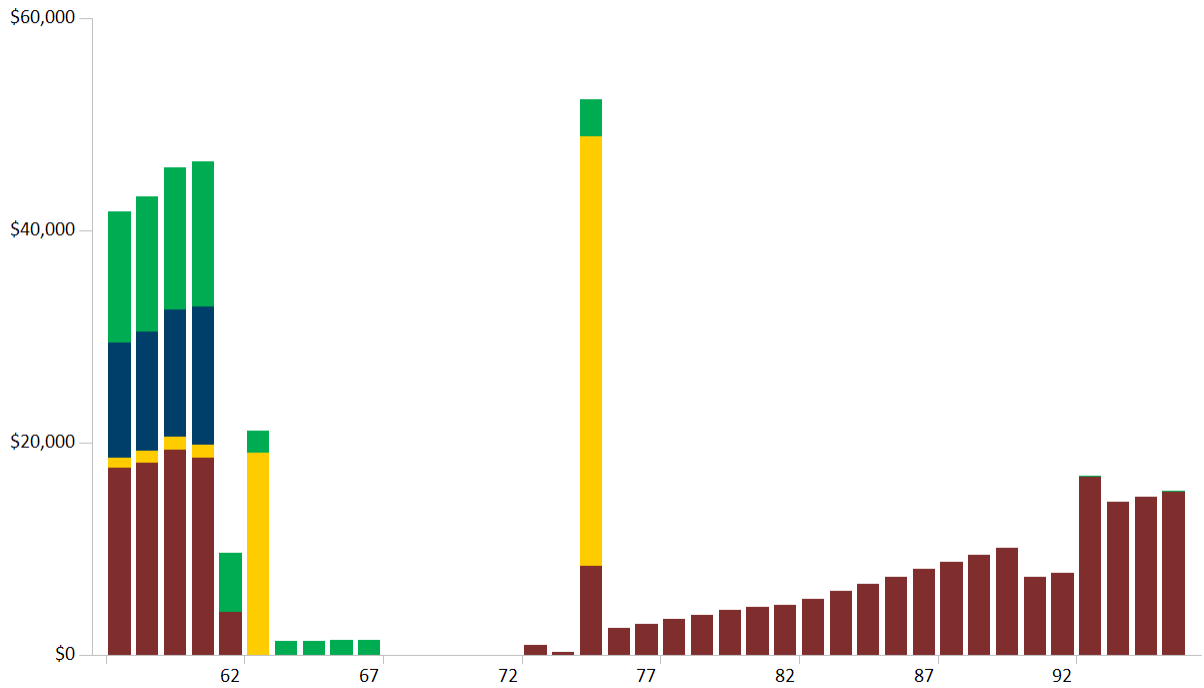
Ages	Federal Income Tax Amounts					State Tax	Additional State Tax or (credits)	FICA and HI Tax	Total Taxes \$430,474
	Federal Income Tax	Additional AMT Tax	Federal Credits	Early Distr. & Other Tax *	Total Fed. Income Tax				
	1	2	3	4	5	6	7	8	9
58 57	\$18,560				\$18,560	\$11,189	(\$330)	\$12,376	\$41,795
59 58	19,191				19,191	11,600	(330)	12,680	43,140
60 59	20,521				20,521	12,280	(330)	13,393	45,864
61 60	19,817				19,817	13,260	(330)	13,722	46,468
62 61	4,003				4,003			5,615	9,617
63 62	19,060				19,060			2,022	21,083
64 63								1,273	1,273
65 64								1,298	1,298
66 65								1,324	1,324
67 66								1,351	1,351
68 67									
69 68									
70 69									
71 70									
72 71									
73 72	873				873				873
74 73	254				254				254
75 74	48,837				48,837			3,457	52,295
76 75	2,525				2,525				2,525
77 76	2,892				2,892				2,892
78 77	3,324				3,324				3,324
79 78	3,737				3,737				3,737
80 79	4,203				4,203				4,203
81 80	4,511				4,511				4,511
82 81	4,715				4,715				4,715
83 82	5,284				5,284				5,284
84 83	5,963				5,963				5,963
85 84	6,663				6,663				6,663
86 85	7,349				7,349				7,349
87 86	8,047				8,047				8,047
88 87	8,693				8,693				8,693
89 88	9,375				9,375				9,375
90 89	10,049				10,049				10,049
91 90	7,302				7,302				7,302
92 91	7,705				7,705				7,705
93 92	16,840				16,840			21	16,862
94 93	14,367				14,367				14,367
95 94	14,850				14,850				14,850
96 95	15,363				15,363			58	15,420
97 96									

Note - it is assumed the Tax Cuts and Jobs Act (TCJA) sunsets after 2025. See Income Tax Calculations report for details.

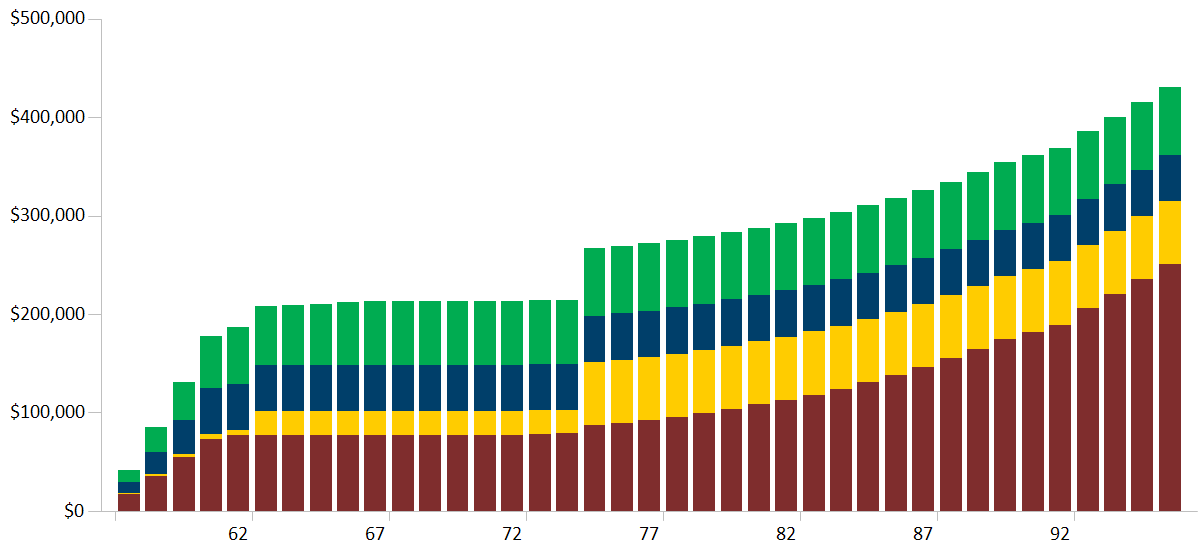
Annual / Cumulative Taxes Paid

Retire 63/62 - Downsize & Move to WA

Annual Income Taxes



Cumulative Taxes Paid

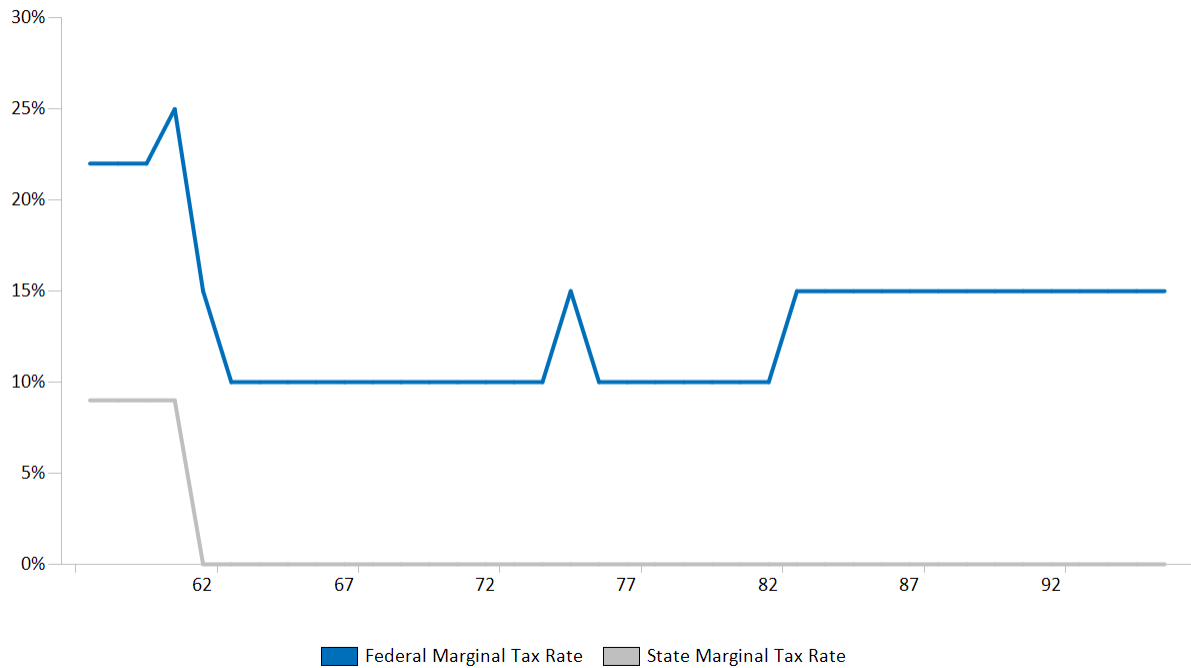


- | | |
|--------------------------------------|-----------|
| AMT, Penalty, and Other Taxes | D12...D14 |
| FICA/SECA & Hospital Insurance Taxes | D15 |
| State Income Taxes | D17 |
| Federal Capital Gains Taxes | D8 |
| Federal Ordinary Income Taxes | D8 |

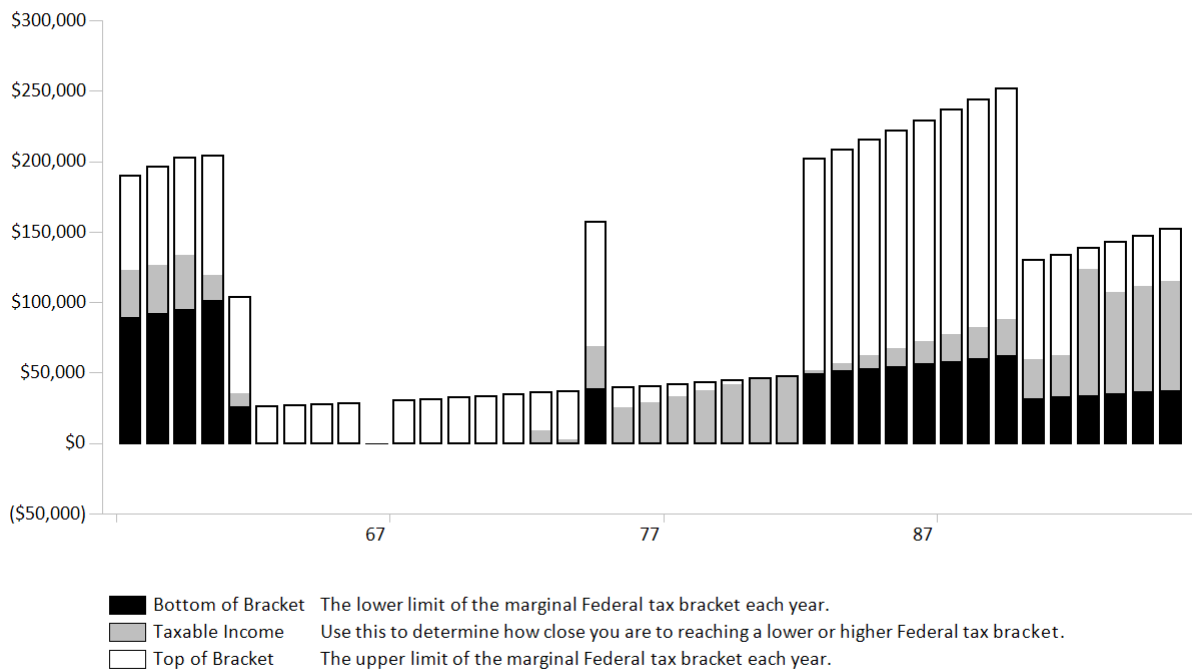
Tax Bracket

Retire 63/62 - Downsize & Move to WA

Federal and State Marginal Tax Rates by Age



Federal Tax Bracket Utilization by Age



Estate

This section evaluates your financial estate with an illustration of potential estate taxes and settlement costs. It highlights the potential savings that might be realized through use of certain trust and estate planning tools.

You may want to consult with an estate planning attorney for a more detailed analysis of the options available and for additional evaluation of other techniques that might be of benefit.

Your Current Estate Details

Retire 63/62 - Downsize & Move to WA

The illustrations in this report are based on information that you provided. As you review the Estate Planning reports, please be aware that the numbers provided are only estimates and are not to be relied on for actual estate tax reporting. You should always rely on your legal and financial professionals for final information about your estate and other tax planning issues.

Basic Data	Allen	Betty
Current Ages	58	57
Age at death for the estate options illustration	65	63
Estimated final expenses (increasing at 3.20% per year.)	\$15,000	\$15,000

Administrative and probate expense estimate as a percent of estate assets

First death 3.00%
Second death 4.00%

Existing Estate Planning	Allen	Betty
Will	Yes	Yes
Revocable Living Trust	Yes	Yes
Joint Revocable Trust		No
Marital Trust Provisions	Yes	Yes
Credit Shelter Trust Provisions	No	No
QTIP Trust Provisions	No	No
Testamentary Trust Provisions	No	No
Generation Skipping Trust Provisions	No	No
Irrevocable Life Insurance Trust	No	No
Durable General Power of Attorney	No	No
Durable Health Care Power of Attorney	Yes	Yes
Living Will	Yes	Yes

Estate Assets Summary:	Allen	Betty	Joint/Other
Ordinary Income/Interest bearing accounts	\$30,000	\$23,000	\$88,803
Equity, Investment accounts	340,035	22,245	133,887
Retirement accounts	133,500	125,500	
Residence and Personal Property	487,000		19,600
Real Estate Investments			200,000
Debts and mortgages	(9,140)		(290,000)
Totals	\$981,395	\$170,745	\$152,290
Net Worth	\$1,304,430		
Life Insurance	\$97,500	\$60,000	

Plan for estate needs:

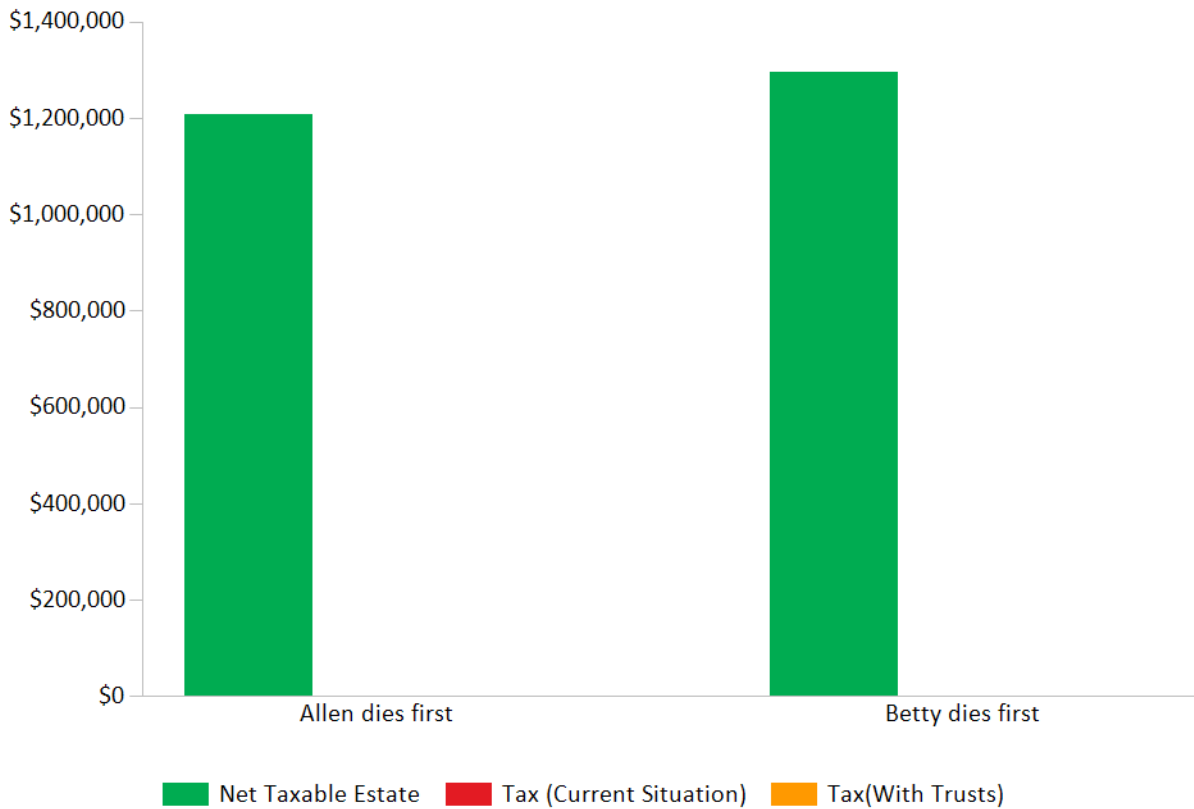
A careful review of the information shown above will help you to determine which legal estate planning tools should be considered in order to be fully protected. As you consider the various estate planning tools listed, please recognize that competent legal advice is necessary to assure that the documents are properly prepared.

The illustrations in this report are based on information that you provided. As you review the Estate Planning reports, please be aware that the numbers provided are only estimates and are not to be relied on for actual estate tax reporting. You should always rely on your legal and financial professionals for final information about your estate and other tax planning issues.

Proper planning and preparation before a need arises can avoid unnecessary delay, confusion, potential legal costs and family disruption.

Estate Taxes

Retire 63/62 - Downsize & Move to WA

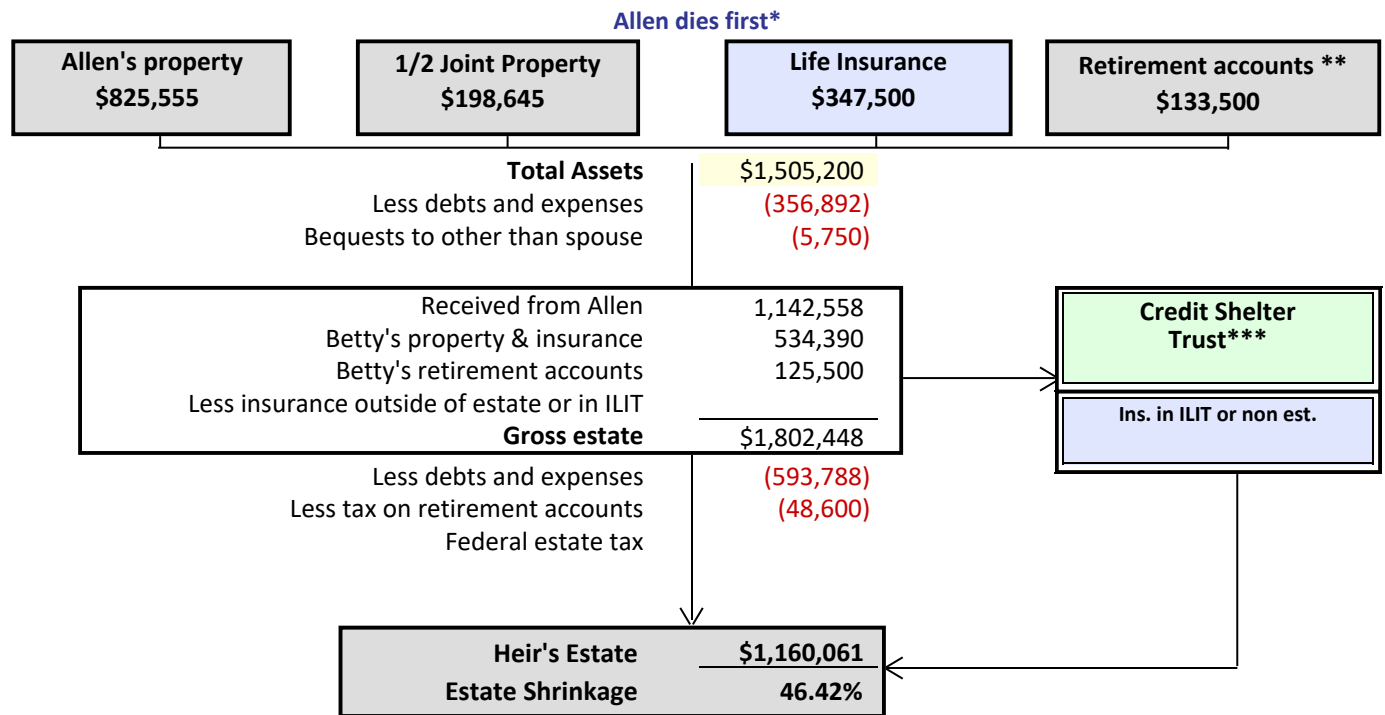


	<u>Allen dies first</u>		<u>Betty dies first</u>		
All assets including life insurance		\$2,165,090		\$2,165,090	
Debts and expenses		(950,679)		(869,377)	
Less bequests to other than spouse		(5,750)			
Net estate		<u>\$1,208,661</u>		<u>\$1,295,713</u>	
		Current Situation	With Trusts	Current Situation	With Trusts
Estate tax					
To heirs		<u>1,160,061</u>	<u>1,416,560</u>	<u>1,247,113</u>	<u>1,391,013</u>
Gain using trust		\$256,499		\$143,900	

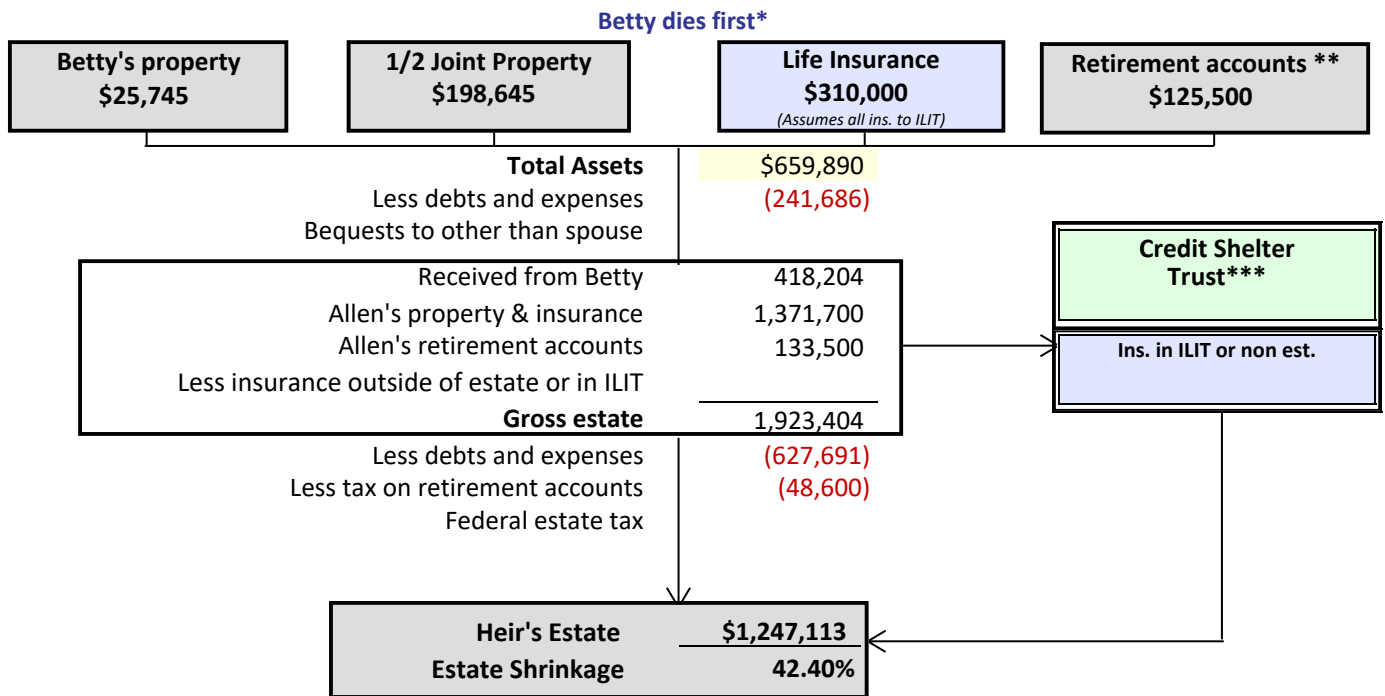
Estate Taxes - Current Situation

Retire 63/62 - Downsize & Move to WA

When assets are passed to heirs by simple wills (or by State statutes when no wills exist), the estate will probably be subject to the maximum amount of Federal Estate taxes. The illustration assumes only life insurance currently owned in an Irrevocable Life Insurance Trust is exempt from estate tax.



While estate taxes may not be a serious problem for smaller estates, time, combined with the growth of successful investments or inflation can result in a substantial estate tax liability.



You may want to consider various types of trust or estate planning techniques to help assure that all aspects of your estate disposition are handled according to your wishes and with the minimum estate taxation. This report is an estimate and does not constitute legal advice. Obtain legal counsel before taking action affecting your estate planning.

*The above results are based on both deaths occurring in the current year. Results will vary in future years.

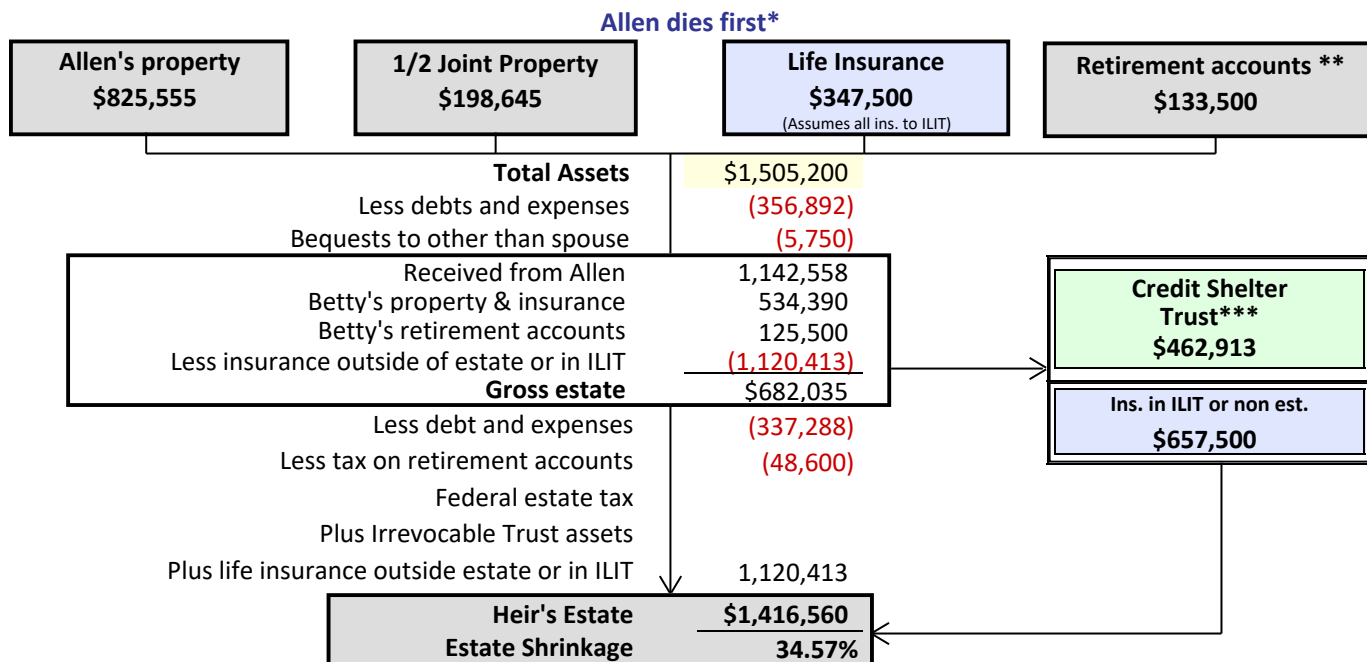
** Retirement accounts will be subject to additional income taxes.

*** The Credit Shelter Trust is funded with the smaller of the current year Unified Tax Credit Equivalent or separate property

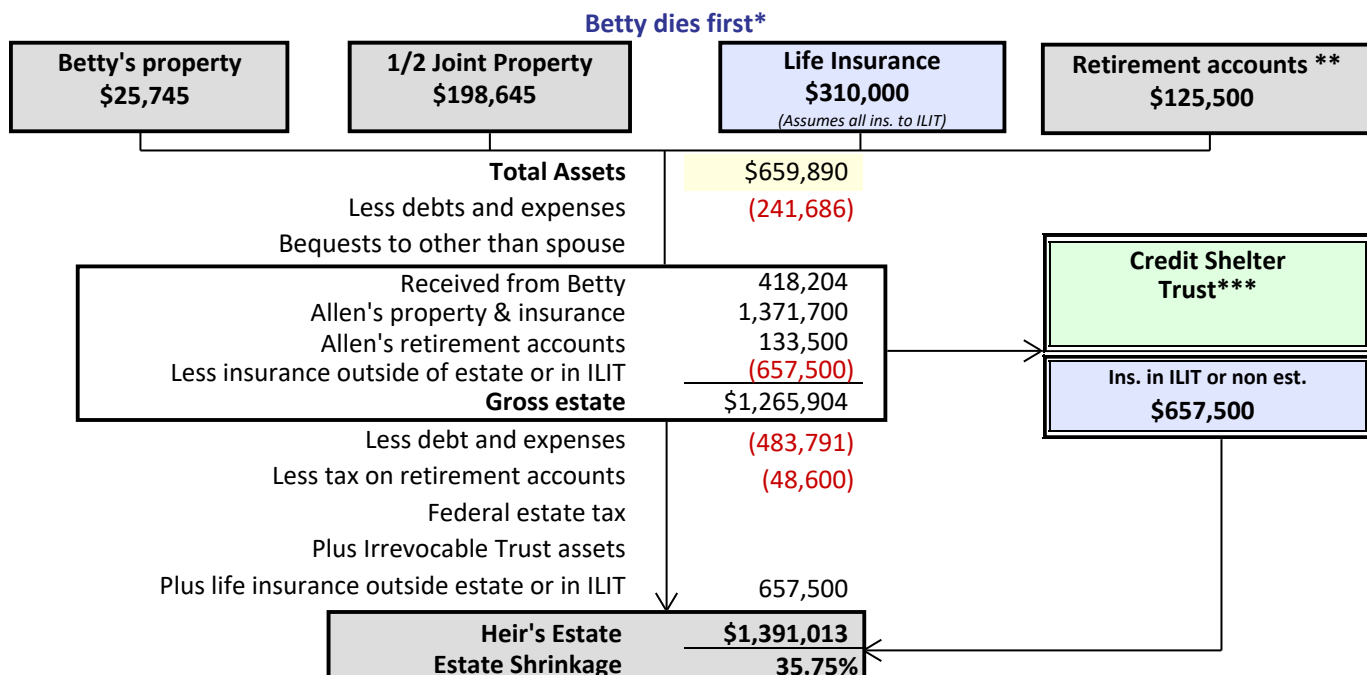
Estate Taxes - With Trusts

Retire 63/62 - Downsize & Move to WA

You might consider using a Credit Shelter Trust to minimize the cost of passing your assets to your heirs. This is accomplished by arranging to have a portion of your assets placed into trust upon the first death. The income from the trust may be made available to the surviving spouse, allowing the remaining trust assets to pass to the heirs without ever being included in the second spouse's estate. This illustration assumes all life insurance is held in an Irrevocable Life Insurance Trust (ILIT) and protected from estate taxes.



In order to take advantage of a Credit Shelter Trust, your assets must be owned in a manner that will enable the assets to flow into the trust, such as separately owned or community property assets. Jointly held assets may be placed in the trust only if the surviving spouse makes a special election. An Irrevocable Life Insurance Trust would need to be in force with all policies properly owned within the trust.



If you decide to use these techniques, you should coordinate the process with all appropriate legal and financial advisors to evaluate the benefits of the trusts. Implementation would require preparation of will and trust documents and possible re-titling of some assets and insurance policies in order to maximize the effect of the trust planning.

*Retirement accounts will be subject to additional income tax.

**The above results are based on both deaths occurring in the current year. Results will vary in future years.

*** The Credit Shelter Trust is funded with the smaller of the current year Unified Tax Credit Equivalent or separate property.

Future Estate Costs Graph

Retire 63/62 - Downsize & Move to WA

Death in same year - Allen dies first.

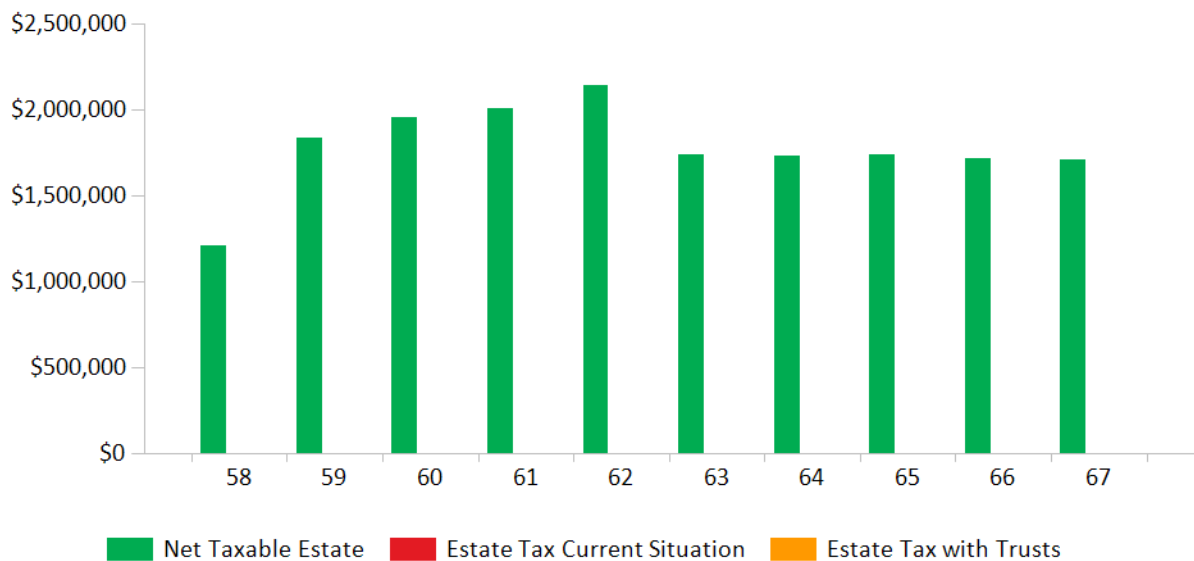
Tax Cuts and Jobs Act

The Tax Cuts and Jobs Act, which went into effect at the end of 2017, includes a provision that temporarily doubles the estate exclusion amount. The new exclusion allows up to \$12,920,000 to be transferred before being taxed at 40% estate rate. The provision is set to expire in 2026, at which point the exclusion will return to \$6,460,000.

An Estimate of Your Estate Tax Exposure Using Suggested Planning

We have taken information provided about your current estate net worth to estimate your estate tax exposure under the new law over the next several years. We make some general assumptions regarding the growth of assets. Also, as previously suggested in this analysis, we assume that each individual has funded a credit shelter trust utilizing the applicable exclusion amounts available to them (currently \$12,920,000 per person in 2023). We also assume that any life insurance benefits are kept out of the taxable estate. The graph below shows your estimated estate tax exposure (red) and your estate remainder after taxes (green) at each year end.

Future Estate Taxes - Allen Dies First



Age	Retirement Capital*	Debts & Expenses	Net Taxable Estate	Exclusion Amount	Estimated Estate Tax
58	\$2,165,090	(\$950,679)	\$1,208,661	\$26,666,880	
59	2,267,490	(427,535)	1,839,955	27,520,220	
60	2,378,559	(420,833)	1,957,726	28,400,867	
61	2,420,115	(409,902)	2,010,213	14,654,847	
62	2,549,552	(402,939)	2,146,613	15,123,803	
63	2,107,221	(363,675)	1,743,545	15,607,764	
64	2,447,036	(716,136)	1,730,900	16,107,213	
65	2,441,978	(699,501)	1,742,478	16,622,644	
66	2,394,454	(679,213)	1,715,241	17,154,568	
67	2,368,084	(659,344)	1,708,740	17,703,514	

*Assets & Insurance = residence, personal prop., savings, investments, retirement accounts and life insurance. Net of bequests.

Future Estate Costs

Retire 63/62 - Downsize & Move to WA

Deaths in same year - Betty dies first.

Ages	Assets & Insurance*	Debts & Expenses** (after both deaths)	Net Estate	Current Situation		Credit Shelter Trust and Irrev. Life Ins. Trust ****		Gain with Trusts
				Estate Tax	To Heirs	Estate tax	To Heirs	
58 57	\$2,165,090	(\$869,377)	\$1,295,713		\$1,295,713		\$1,439,613	\$143,900
59 58	2,267,490	(401,826)	1,865,664		1,865,664		1,866,768	1,104
60 59	2,378,559	(393,640)	1,984,919		1,984,919		1,986,105	1,186
61 60	2,420,115	(380,750)	2,039,365		2,039,365		2,039,748	383
62 61	2,549,552	(372,008)	2,177,545		2,177,545		2,178,007	463
63 62	2,107,221	(331,832)	1,775,388		1,775,388		1,775,558	169
64 63	2,447,036	(678,071)	1,768,966		1,768,966		1,769,145	179
65 64	2,441,978	(661,315)	1,780,663		1,780,663		1,780,828	165
66 65	2,394,454	(641,952)	1,752,502		1,752,502		1,752,640	138
67 66	2,368,084	(622,469)	1,745,615		1,745,615		1,745,732	117
68 67	2,287,626	(600,027)	1,687,599		1,687,599		1,687,679	80
69 68	2,237,524	(578,836)	1,658,688		1,658,688		1,658,740	51
70 69	2,179,989	(556,876)	1,623,113		1,623,113		1,623,133	19
71 70	2,362,779	(545,160)	1,817,619		1,817,619		1,818,262	643
72 71	2,387,140	(524,089)	1,863,052		1,863,052		1,863,089	38
73 72	2,411,943	(502,620)	1,909,323		1,909,323		1,909,348	25
74 73	2,434,989	(479,925)	1,955,065		1,955,065		1,955,075	11
75 74	2,456,795	(455,772)	2,001,023		2,001,023		2,001,023	
76 75	2,386,198	(387,132)	1,999,066		1,999,066		1,999,915	848
77 76	2,410,631	(366,621)	2,044,010		2,044,010		2,044,525	515
78 77	2,434,366	(345,022)	2,089,344		2,089,344		2,089,517	173
79 78	2,456,793	(322,492)	2,134,301		2,134,301		2,134,325	24
80 79	2,498,438	(319,087)	2,179,351		2,179,351		2,179,376	25
81 80	2,539,053	(315,312)	2,223,741		2,223,741		2,223,765	25
82 81	2,578,564	(311,163)	2,267,401		2,267,401		2,267,426	24
83 82	2,616,948	(306,643)	2,310,305		2,310,305		2,310,329	24
84 83	2,653,572	(301,665)	2,351,908		2,351,908		2,351,931	24
85 84	2,688,067	(296,195)	2,391,872		2,391,872		2,391,895	23
86 85	2,720,123	(290,192)	2,429,931		2,429,931		2,429,953	22
87 86	2,749,442	(283,622)	2,465,820		2,465,820		2,465,841	21
88 87	2,775,673	(276,443)	2,499,230		2,499,230		2,499,250	20
89 88	2,798,503	(268,613)	2,529,891		2,529,891		2,529,909	18
90 89	2,817,506	(260,091)	2,557,415		2,557,415		2,557,431	17
91 90	2,734,763	(246,923)	2,487,840		2,487,840		2,487,854	14
92 91	2,714,711	(235,531)	2,479,180		2,479,180		2,479,184	3
93 92	2,687,355	(222,855)	2,464,501		2,464,501		2,464,501	
94 93	2,644,435	(209,412)	2,435,024		2,435,024		2,435,024	
95 94	2,611,724	(210,587)	2,401,137		2,401,137		2,401,137	
96 95	2,570,373	(211,455)	2,358,918		2,358,918		2,358,918	
97 96								

*Assets & Insurance = residence, personal prop., savings, investments, retirement accounts and life insurance.

**Debts and expenses = mortgages, loans, final expenses (with inflation adjustments), and estimated estate administration costs.

*** May include insurance held outside of the estate.

****The Credit Shelter Trust is funded with the smaller of the current year Unified Tax Credit Equivalent or separate property plus 1/2 community property. Expenses reduced on trust assets.

It is assumed that both deaths occur at each age illustrated.

Summary

This section summarizes the results of the combined cash flows, their effect on your asset accounts and income taxes.

The result is an illustration of the amount of capital available at any time, the amount of funds used for your retirement and how long funds will last.

A Monte Carlo Simulation report may be included to illustrate the fact that the results of any retirement projection will vary based on market conditions, and other factors that are not possible to accurately predict.

Retirement Summary

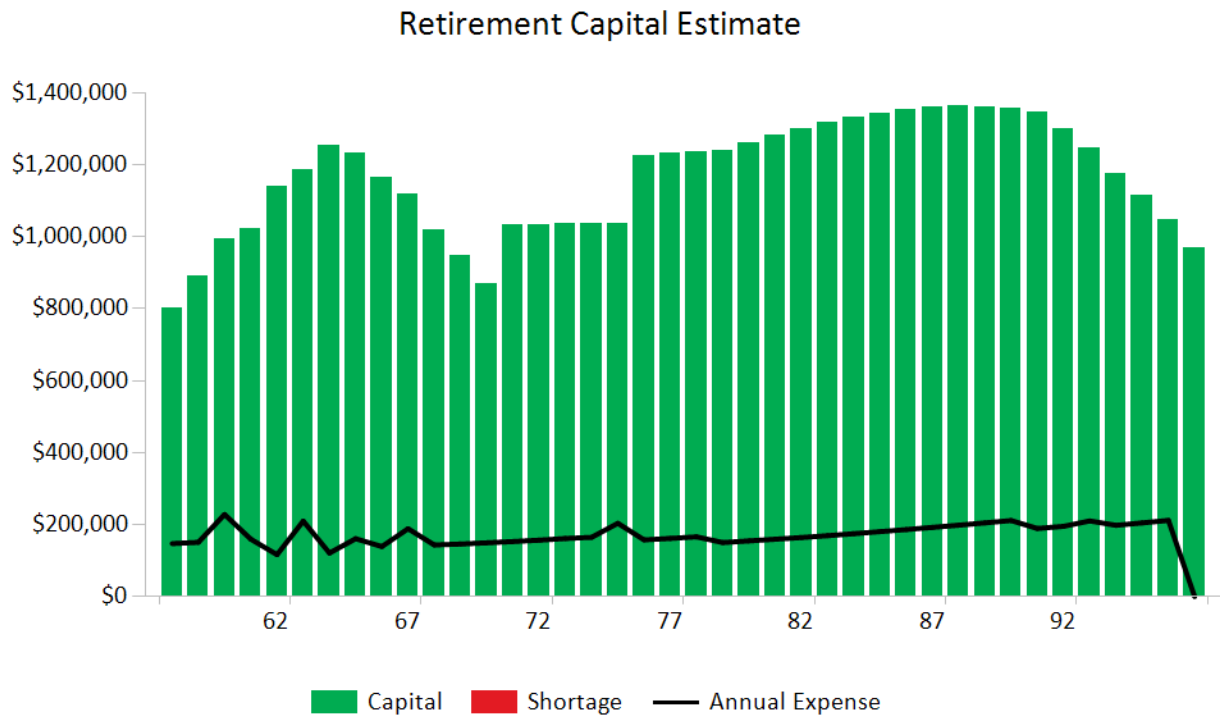
Retire 63/62 - Downsize & Move to WA

The following table summarizes the goals, assumptions and variables used in the Retirement Planning analysis.

RETIREMENT GOALS:		Allen	Betty
Retirement Age		63	62
Life Expectancy		90	95
Retirement Living Expenses (after-tax) Today's \$	\$40,740		
Retirement Living Expenses (after-tax) Inflated	47,689		
Standard of Living Inflation Rate	3.20%		
RETIREMENT CAPITAL:			
Rate of Return (current)	6.32%		
Total Assets Available for Retirement	\$800,990		
Annual Additions to Qualified Accounts	13,516		
Annual Additions to Other Accounts	3,132		
RETIREMENT INCOME (pre-tax):			
Social Security Starting Age		70	70
Social Security Benefit		\$42,442	\$39,094
Social Security COLA	2.00%		
Pension 1 Starting Age			65
Pension 1 Benefit			2,400
Pension 1 Survivorship			
Pension 1 COLA			2.00%
CUMULATIVE LIFETIME OTHER INCOME/EXPENSE ITEMS (pre-tax):			
Other Income	\$200,000		
Other Expense	(249,290)		
Stock Option Proceeds	2,932		
Post-Retirement Earnings	45,965		
Residence Sale Proceeds	182,372		
Rental Real Estate Income	393,855		
Other Goals	(\$24,934)		
INCOME TAXES:			
Median Marginal Tax Rate (Federal & State)	15.00%		
Cumulative Projected Taxes (Federal & State)	361,884		
RETIREMENT ANALYSIS:			
Amount Available at Retirement	1,184,305		
Retirement Assets at Age 96	967,213		
Your assets may last through life expectancy.			

Retirement Estimate

Retire 63/62 - Downsize & Move to WA



As inflation increases the amount of income needed for your standard of living, there is the potential need to draw increasing amounts out of savings, investments and retirement accounts.

The graph shows how long your capital might last. The objective is to assure that your capital is properly managed so that it will last at least until your life expectancy.

If the capital is depleted before your need for income has ceased, then you will become dependent on your pensions, Social Security, relatives or public sources. If there is capital remaining when your need for income stops then the remaining capital is available for your heirs.

The line allows you to visualize the annual expenses as compared to your capital accounts.

If the bars dip below the "0" level on the graph, it indicates that you have consumed all your savings, investment, and retirement accounts, and your spending requirements have caused a "deficit" spending situation - a need for funds where none exists.

Retirement Capital Estimate

Retire 63/62 - Downsize & Move to WA

Ages	Begin. Yr. Account Totals	Annual Expenses Incl. Tax	Income and Capital Distributions					Annual Surplus	Ending Year Account Totals
			Earned Income	** Retirement Acct Distr.	** Investment Acct Distr.	Pensions/ Soc Sec	Other Inc. & St. Opt.		
		1	2	3	4	5	6	7	8
58 57	\$800,990	(\$147,583)	\$155,000	\$517			\$6,628	\$14,562	\$892,390
59 58	892,390	(151,263)	158,835	549			8,165	16,286	992,074
60 59	992,074	(228,713)	168,018	582	60,112				1,021,865
61 60	1,021,865	(159,905)	172,177	618			7,924	20,814	1,139,158
62 61	1,139,158	(116,788)	66,058	656	41,702		8,373		1,184,305
63 R 62 R	1,184,305	(210,262)	8,833	696	7,711		193,022		1,254,460
64 63	1,254,460	(121,366)	9,009	739	102,319		9,299		1,230,997
65 64	1,230,997	(161,309)	9,189	785	141,559		9,775		1,164,590
66 65	1,164,590	(139,401)	9,373	833	116,533	2,400	10,262		1,118,860
67 66	1,118,860	(188,999)	9,561	885	165,348	2,448	10,758		1,018,558
68 67	1,018,558	(143,739)		940	129,038	2,497	11,264		948,128
69 68	948,128	(146,495)		998	131,170	2,547	11,780		869,775
70 69	869,775	(149,920)		1,060		45,040	212,306	108,486	1,031,253
71 70	1,031,253	(153,461)		1,127	54,456	85,035	12,843		1,033,803
72 71	1,033,803	(157,121)		1,198	55,797	86,736	13,391		1,036,292
73 72	1,036,292	(161,779)		1,273	58,086	88,470	13,949		1,036,515
74 73	1,036,515	(165,074)		1,354	58,961	90,240	14,519		1,034,981
75 74	1,034,981	(204,080)		21,588		92,045	238,228	147,780	1,226,171
76 75	1,226,171	(157,950)		38,663	25,401	93,885			1,231,926
77 76	1,231,926	(162,083)		40,849	25,470	95,763			1,236,561
78 77	1,236,561	(166,411)		43,183	25,549	97,678			1,239,460
79 78	1,239,460	(150,585)		45,732	5,221	99,632			1,261,144
80 79	1,261,144	(155,223)		48,438	5,161	101,625			1,281,358
81 80	1,281,358	(159,849)		50,319	5,873	103,657			1,300,024
82 81	1,300,024	(164,522)		51,709	7,083	105,730			1,317,109
83 82	1,317,109	(169,719)		54,526	7,348	107,845			1,331,977
84 83	1,331,977	(175,188)		57,528	7,658	110,002			1,344,249
85 84	1,344,249	(180,846)		60,618	8,026	112,202			1,353,608
86 85	1,353,608	(186,666)		63,672	8,549	114,446			1,359,749
87 86	1,359,749	(192,681)		66,839	9,107	116,735			1,362,313
88 87	1,362,313	(198,834)		69,832	9,933	119,069			1,360,979
89 88	1,360,979	(205,219)		72,967	10,800	121,451			1,355,312
90 L 89	1,355,312	(211,799)		76,084	11,836	123,880			1,344,884
91 90	1,344,884	(189,665)		76,458	44,942	68,265			1,299,124
92 91	1,299,124	(195,651)		79,296	46,725	69,630			1,245,526
93 92	1,245,526	(210,594)		82,110	57,461	71,023			1,175,822
94 93	1,175,822	(198,452)		84,872	41,136	72,444			1,115,775
95 94	1,115,775	(205,155)		86,625	44,638	73,892			1,046,526
96 95 L	1,046,526	(212,176)		88,171	48,635	75,370			967,213
97 96	967,213								967,213

R = Retirement Age, L = Life Expectancy

**Investment and Retirement distributions include withdrawals from account totals to satisfy "Income needed" shortages from Cash Flow report.

Monte Carlo Retirement Simulation

Retire 63/62 - Downsize & Move to WA

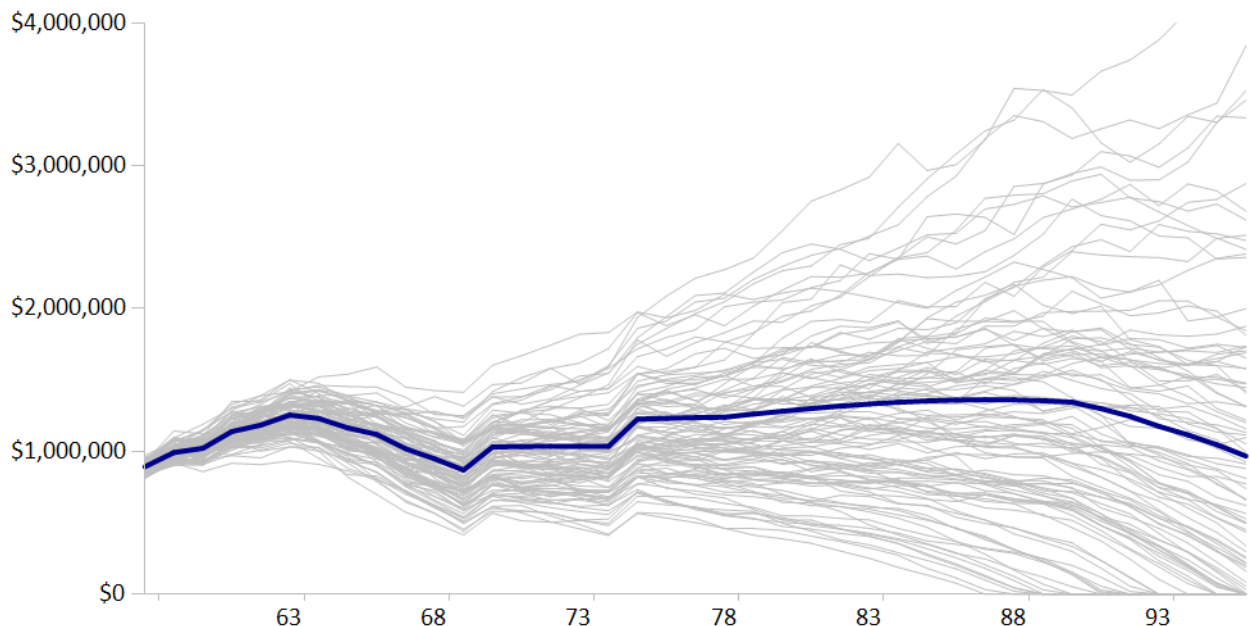
Monte Carlo Simulations illustrate possible variations in growth and/or depletion of retirement capital under unpredictable future conditions. Simulation introduces uncertainty by fluctuating annual rates of return on assets. The graph and related calculations do not presuppose or analyze any particular investment or investment strategy. This long-term hypothetical model is used to help show potential effects of market volatility and possible effects on your financial future. This is not a projection, but an illustration of uncertainty.

The simulations begin in the current year and model potential asset level changes over time. Included are all capital assets, both tax advantaged and taxable, all expenses, including education funding if applicable, pension benefits and Social Security benefits. Observing results from these large number of simulations may offer insight into the shape, trends and potential range of future retirement plan outcomes under volatile market conditions.

Results from 10,000 Monte Carlo Simulations:

Original Retirement Capital estimate	\$967,213	Percentage of results above zero*	76%
Minimum (worst case) result	\$0	Percentage with \$ remaining at Allen's age 92	92%
Average Monte Carlo result	\$1,135,340	Percentage with \$ remaining at Allen's age 87	99%
Maximum Monte Carlo result	\$11,762,358	Percentage with \$ remaining at Allen's age 82	100%

*Percent of times money is remaining at last life expectancy



The bold line is the estimated retirement capital value over time using fixed rates.

Current rate of return is 6.32% in the original estimate and varies from 5.81% to 6.66%, with portfolio changes.

This simulation used a 4.25% standard deviation to create ten thousand sets of normally distributed random rates of return based on the annual rates of return in the original estimate (95% of the rates fall between -2.69% and 15.16%).

A standard deviation rate of 2.00% was applied to the inflation rate used on personal expenses.

The original capital estimate indicated a possibility of having \$967,213 in assets remaining at last life expectancy. Monte Carlo simulation, using 10,000 trials of the same assets, income and expenses, resulted in a 76% probability of having funds remaining at last life expectancy, and an average amount of \$1,135,340 remaining.

The Monte Carlo illustration above points out the uncertainty of future retirement capital outcomes. It is important that you return regularly for a review of your goals and financial condition, in order to assure that appropriate periodic adjustments are made to your financial affairs.

IMPORTANT: The projections or other information generated in this report regarding the likelihood of various investment outcomes are hypothetical in nature, do not reflect actual investment products or results and are not guarantees of future results. Results may vary with each report and over time. Results of this simulation are neither guarantees nor projections of future results. Information is for illustrative purposes only. Do not rely on this report to predict actual performance of any investment or investment strategy.

Monte Carlo Details

Retire 63/62 - Downsize & Move to WA

Financial analysis can help you evaluate your status in relationship to your financial goals and objectives. In preparing your financial analysis various assumptions were used, including income available, annual expenses, amount of money currently invested and rates of return on retirement assets. The analysis of potential funds available for use in retirement included an assumed "fixed" or "static" rate of return on each asset type - taxable, tax-free, tax-deferred, equity and retirement accounts.

Fixed or Static rates:

Use of a fixed or static rate (where the initial rate used remains static throughout the analysis) can be helpful for visualizing potential future values to see how long your money might last, but may not reflect what happens in the real world of finance.

Variable Rates:

The Monte Carlo illustration applies a concept of variable rates of return on assets over time, in an attempt to illustrate what might happen in a situation where the returns on assets may be positive in some years and negative in other years. Since there is no way to predict either the positive or negative years or the amount of gain or loss that the assets might be exposed to, a Monte Carlo Simulation is used. This involves preparation of 10,000 separate projections of your financial future, where a rate of return is randomly selected every year in each of the 10,000 simulations.

Standard Deviation:

The term "standard deviation" refers to the extent of variability, or deviation, above or below the normal average that was used in the original illustration. This illustration uses a blended standard deviation rate based on the assumption that our portfolio will consist of various asset components. Assets like CD's, bonds and savings will be conservative and have a low variation in rate. Other assets like stocks, mutual funds, real estate, etc. will likely show a greater degree of variability in rate of return. It is also assumed that the mix of assets will change as your goals and time horizon changes.

Original Result -vs.- Monte Carlo:

The bold blue line in the Monte Carlo graph represents the amount of funds available using the fixed or static rates of return. This outcome is unlikely to be realized, because in reality the rates of return will vary each year. The Monte Carlo illustration shows additional lines representing the range of results using variable rates of return each year for each of the 10,000 Monte Carlo simulations. The Monte Carlo "tornado" chart makes it clear that there is a great range of potential outcomes that could be realized in the future.

Monte Carlo Simulation Minimum, Average and Maximum Dollar Results

Values above the Monte Carlo graph indicate the best, worst and average results at the end of 10,000 Monte Carlo simulations. These show the range of results (high and low), and the average of all Monte Carlo results. All values are based on results at the life expectancy of the last to die or the ages shown.

Minimum	This represents the lowest return of 10,000 simulations. In most cases at least some of these results will be zero (0), indicating that funds ran out prior to life expectancy.
Average	This is the average of all positive Monte Carlo simulations. The average may or may not be similar to the Original Retirement Capital Estimate.
Maximum	This result represents the highest accumulation of the 10,000 simulations.

IMPORTANT: The projections or other information generated in the reports regarding the likelihood of various investment outcomes are hypothetical in nature, do not reflect actual investment results and are not guarantees of future results. Each Monte Carlo Simulation is unique; results vary with each use over time.

Standard Deviation

Retire 63/62 - Downsize & Move to WA

Standard Deviation

Standard deviation is a measure of the extent to which the rate of return on a financial asset varies from the average return in a given period of time. It is a measure of the volatility or risk of the asset.

Portfolio Return Volatility

In broad terms, assets with low rates of return usually demonstrate lower volatility than assets and portfolios with potentially high rates. Assets with low rates and volatility would include CD's, bonds, savings, money market accounts and other fixed rate of return assets. Those with higher volatility include stocks, mutual funds and other investment assets. While future financial returns cannot be predicted, it is possible to model potential results by applying a standard deviation to the average rate of return, based on the past or expected level of volatility, and using a Monte Carlo simulation model.

Because a typical portfolio may consist of a mixture of fixed assets with a low standard deviation as well as some equity assets with higher standard deviations, and the portfolio mix is expected to change over the years, the Monte Carlo report uses a blended, and conservative standard deviation rate. If the weighted average rate on your entire portfolio is low, then the standard deviation rate used will be low. If the portfolio rate is higher, then the standard deviation rate will be higher. In order to present a more conservative look at the Monte Carlo result, the actual rate selected may be lower than a rate on any single asset class. The rate is not intended to represent any one asset type, is hypothetical and used for illustration purposes only.

Standard Deviations

Since the typical portfolio (as described above) will generally include many different asset classes and will change over time, we have not attempted to identify any particular historical asset class on which to base the standard deviation. Unless a specific standard deviation rate has been chosen by you, the following table is used to represent a portfolio of mixed assets. The weighted average rate of the portfolio is used to choose a standard deviation rate.

<u>Weighted average portfolio rate</u>	<u>Standard Deviation range</u>
1 - 3%	3%
4 - 7%	4 - 7%
8 - 10%	8 - 12%
11 - 15%	14.5 - 25.5%
16%+	28% +

In this presentation no single asset class or investment portfolio is assumed to be used. Instead the entire portfolio of savings, bonds, investments, retirement accounts, real estate and other assets used for retirement accumulation are treated as a group, and the current weighted average rate of return is calculated on the portfolio. Then a hypothetical standard deviation rate is applied based on the average rate, with a low standard deviation rate used if the portfolio rate is low and a higher standard deviation rate used for higher portfolio rates. This method may result in a standard deviation rate lower than reported on some specific asset classes, but will provide a reasonable illustration of a mixed portfolio as described above.

Net Worth Report

Retire 63/62 - Downsize & Move to WA

Ages		Savings and Investments	Retirement and Roth Accounts	Real Estate Market Value	Other & Personal Property	Life Insur. Cash Values	Total Asset Values	Less Liabilities	Net Worth
		1	2	3	4	5	6	7	8
58	57	\$543,468	\$259,000	\$647,000	\$59,600	\$15,300	\$1,524,368	(\$296,640)	\$1,227,728
59	58	596,981	297,215	659,940	57,660	29,740	1,641,537	(281,894)	1,359,643
60	59	654,830	338,289	673,139	55,846	44,180	1,766,284	(266,420)	1,499,864
61	60	640,046	383,167	686,602	54,149	58,620	1,822,583	(250,179)	1,572,403
62	61	709,475	431,351	700,334	52,561	73,060	1,966,781	(233,130)	1,733,651
63	62	717,201	467,104	714,340	51,075	87,500	2,037,221	(215,227)	1,821,993
64	63	759,909	494,551	985,392	49,684	89,440	2,378,976	(568,123)	1,810,854
65	64	707,370	523,627	1,005,100	48,382	91,380	2,375,858	(549,720)	1,826,138
66	65	610,160	554,430	1,025,202	47,162	93,320	2,330,273	(530,333)	1,799,940
67	66	531,796	587,063	1,045,706	46,019	95,260	2,305,844	(509,903)	1,795,941
68	67	396,921	621,637	1,066,620	44,948	97,200	2,227,325	(488,365)	1,738,961
69	68	289,862	658,266	1,087,953	43,944	99,139	2,179,164	(466,314)	1,712,850
70	69	172,701	697,074	1,109,712	43,003	101,079	2,123,569	(443,725)	1,679,844
71	70	293,061	738,191	1,131,906	42,121	103,019	2,308,298	(420,007)	1,888,291
72	71	252,047	781,756	1,154,544	41,293	104,959	2,334,599	(395,103)	1,939,497
73	72	208,378	827,914	1,177,635	40,516	106,899	2,361,342	(368,952)	1,992,390
74	73	159,693	876,822	1,201,187	39,787	108,839	2,386,328	(341,492)	2,044,836
75	74	106,339	928,642	1,225,211	39,103	110,779	2,410,074	(312,657)	2,097,417
76	75	263,418	962,753	964,066	38,461	112,719	2,341,417	(242,258)	2,099,159
77	76	250,609	981,317	983,348	37,857	114,659	2,367,789	(217,651)	2,150,138
78	77	237,830	998,732	1,003,014	37,291	116,599	2,393,465	(191,880)	2,201,585
79	78	224,687	1,014,773	1,023,075	36,758	118,538	2,417,831	(164,889)	2,252,943
80	79	232,014	1,029,131	1,043,536	36,258	120,478	2,461,417	(157,314)	2,304,103
81	80	239,821	1,041,537	1,064,407	35,787	122,418	2,503,971	(149,352)	2,354,619
82	81	247,341	1,052,684	1,085,695	35,345	124,358	2,545,422	(140,982)	2,404,441
83	82	254,040	1,063,069	1,107,409	34,929	126,298	2,585,746	(132,184)	2,453,562
84	83	260,846	1,071,131	1,129,557	34,538	128,238	2,624,310	(122,936)	2,501,374
85	84	267,718	1,076,531	1,152,148	34,170	130,178	2,660,745	(113,215)	2,547,530
86	85	274,597	1,079,011	1,175,191	33,823	132,118	2,694,741	(102,997)	2,591,744
87	86	281,326	1,078,423	1,198,695	33,497	134,058	2,725,999	(92,255)	2,633,744
88	87	287,857	1,074,456	1,222,669	33,191	135,998	2,754,170	(80,964)	2,673,206
89	88	293,903	1,067,077	1,247,122	32,901	137,937	2,778,941	(69,096)	2,709,845
90	89	299,389	1,055,923	1,272,065	32,629	139,877	2,799,883	(56,620)	2,743,263
91	90	304,109	1,040,775	1,297,506	32,373	52,763	2,727,526	(43,506)	2,684,019
92	91	274,911	1,024,212	1,323,456	32,131	53,487	2,708,198	(29,722)	2,678,476
93	92	241,933	1,003,593	1,349,925	31,904	54,211	2,681,566	(15,231)	2,666,334
94	93	197,137	978,685	1,376,924	31,689	54,934	2,639,369		2,639,369
95	94	166,503	949,271	1,404,462	31,487	55,658	2,607,382		2,607,382
96	95	130,418	916,108	1,432,552	31,296	56,382	2,566,755		2,566,755
97	96	88,041	879,172	1,461,203	31,116		2,459,531		2,459,531

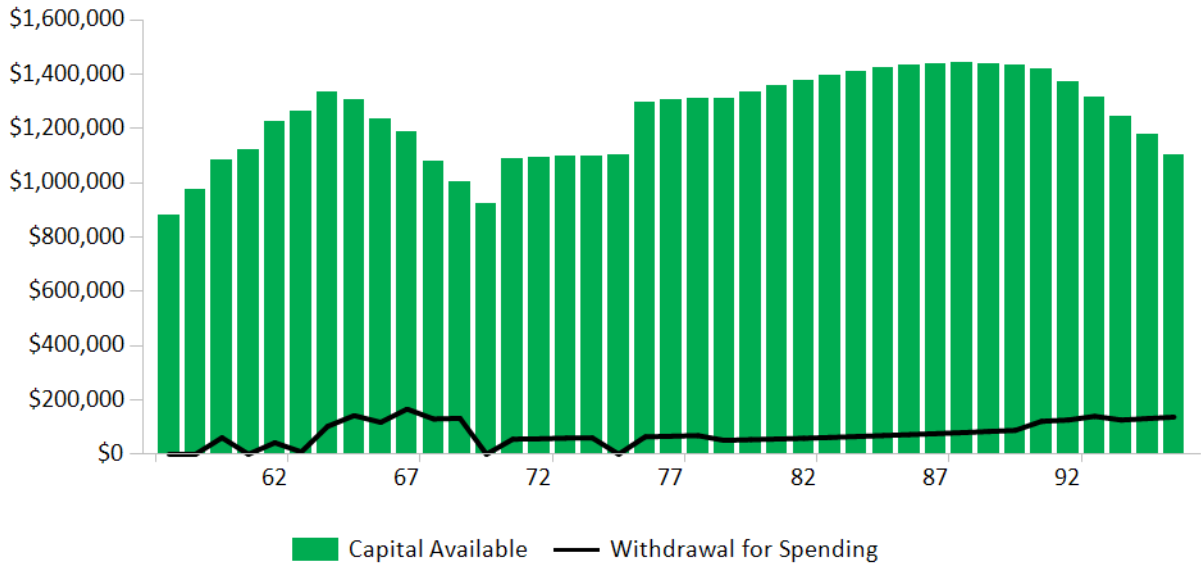
Withdrawal Rates Analysis

Retire 63/62 - Downsize & Move to WA

It is important to ensure that income is available when you need it. If some of the income requirements are to be met from the capital you have accumulated, then monitoring the rate at which you are spending capital is critical.

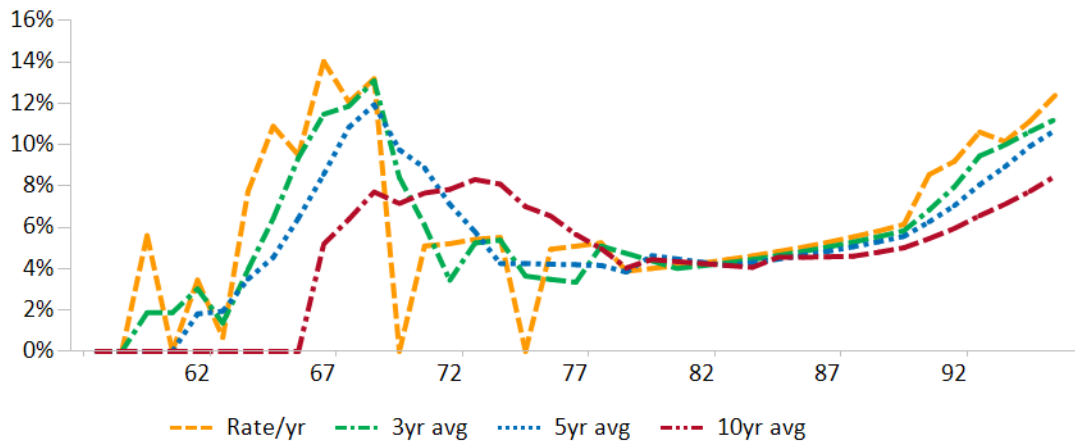
The bar graph, indicated on the left scale, measures your capital values available at each year. The line represents the dollar amounts withdrawn from your assets to meet spending requirements.

Capital Available -vs- Annual Spending Amounts



The following graph measures your spending as a percent of capital each year. It uses a "moving average" method to smooth the lines into an average withdrawal rate over one, three, five and ten year periods.

Moving Average Withdrawal Rates as Percent of Capital Available



Withdrawal Rate Averages

	High	Low *	Average
Annual range (rate for each year)	14.03%	0.00%	5.99%
Three year average range	13.09%	1.37%	5.99%
Five year average range	11.93%	1.81%	5.96%
Ten year average range	8.48%	4.04%	5.91%

* Years when there is a positive cash flow and no withdrawals are required result in a 0% withdrawal rate.

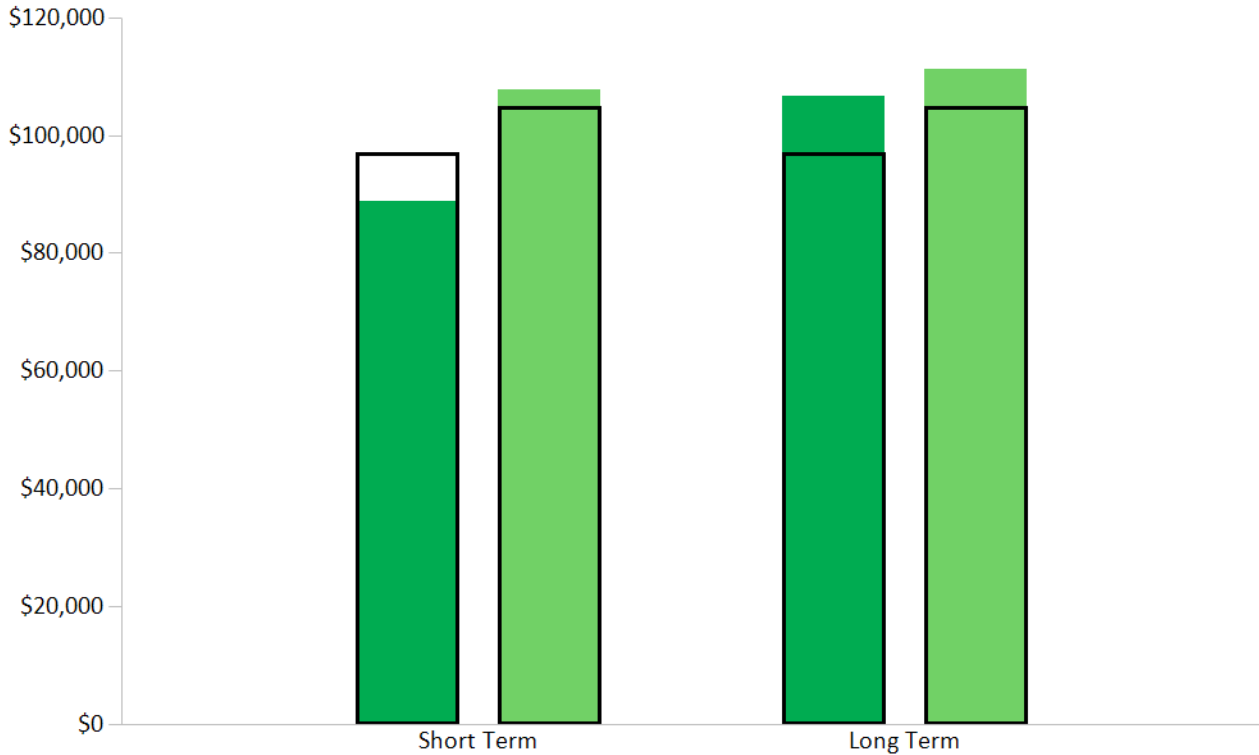
Insurance

An important consideration for your financial security is your need for funds in the event of premature death, or estate liquidity. This section provides details regarding the need for insurance protection for a death occurring now or in the future.

Also included in this section is a discussion of disability income replacement, property and casualty and long term care needs insurance.

Disability Income Insurance

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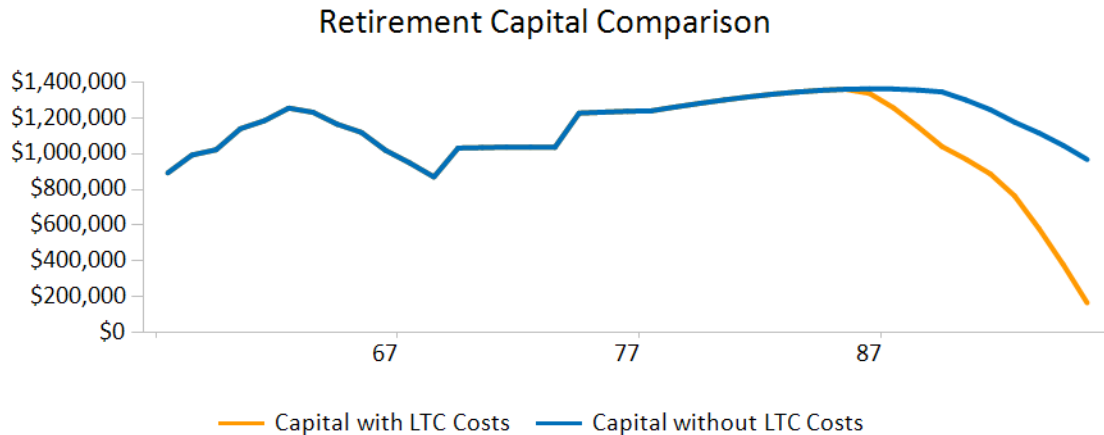
A short term or long term disability due to illness or injury can devastate your financial plans. At a time when you can no longer work for a living, your expenses may actually increase while your income decreases, forcing you to deplete funds that were accumulating for your financial independence in your retirement years.

Careful planning should be made to assure that you will have adequate income in the event of disability due to serious illness or accident.

	Allen disabled		Betty disabled	
	<u>Short term</u>	<u>Long term</u>	<u>Short term</u>	<u>Long term</u>
Income Needed	\$97,181	\$97,181	\$104,981	\$104,981
Amount Available	88,768	106,768	107,768	111,368
Additional Needed	\$8,413	N/A	N/A	N/A

Long Term Care Need Analysis

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Needs Estimate

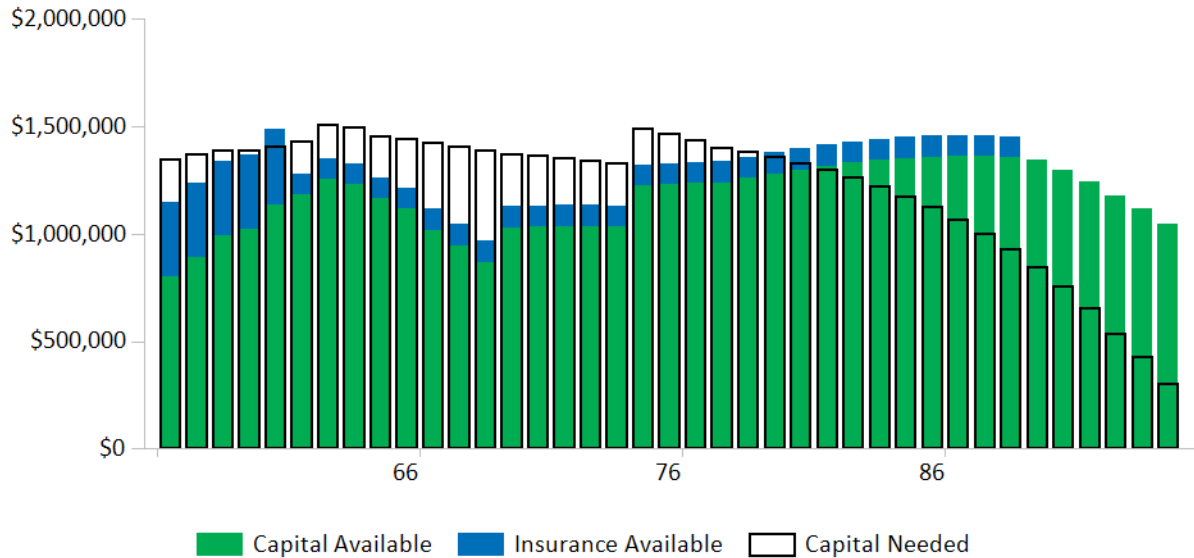
	<u>Allen</u>	<u>Betty</u>
Estimated monthly care costs (today's \$)	\$6,000	\$6,000
Age when long term care starts	87	92
Years until long term care starts	29	35
Assumed inflation rate		
Inflated monthly cost when care begins	\$6,000	\$6,000
Estimated number months of care	40	40
Total inflated cost	\$240,000	\$240,000
Total potential long-term care costs	\$480,000	
<i>*Beginning 40 months prior to life expectancy</i>		
Estimated capital when care begins	\$1,362,313	
Total LTC costs could require current capital of	\$109,469	
<i>**Assuming a 4.5% after-tax rate of return</i>		

There is a significant potential for the cost of long term care to seriously deplete your financial assets in the long term. A prudent approach is to explore the various options available to you now to purchase protection for your future needs.

Life Insurance

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Insurance Need for Allen - Betty Survives



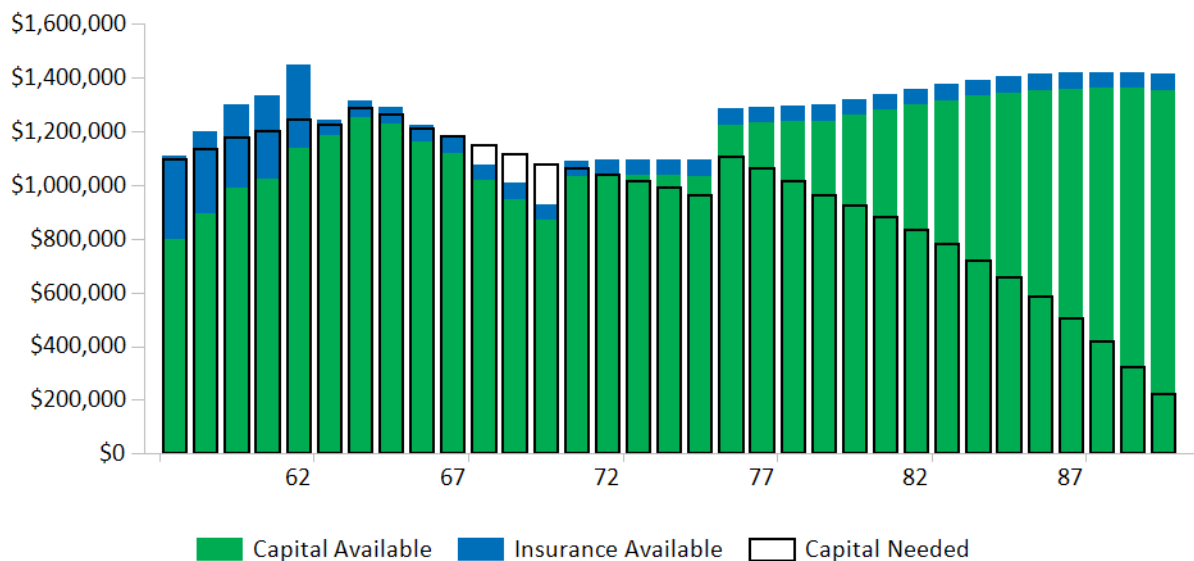
The shaded areas of the graph show the amount of capital available and insurance available at a given age.

The outlined area represents the amount of funds needed to fund immediate cash needs and expenses for the survivor.

If the outlined area extends above the shaded areas, that difference indicates an amount of additional capital needed in the form of assets or insurance.

When the outlined area extends above the shaded areas, that indicates the additional capital or insurance need if death occurs at that age (ages are based off the survivor's age).

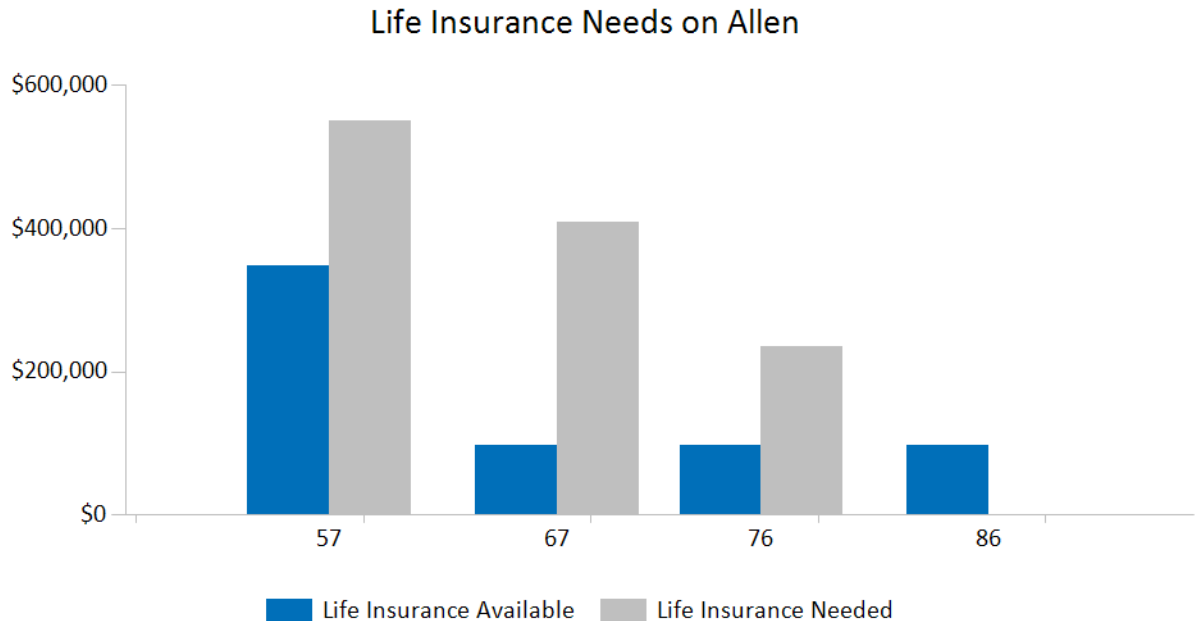
Insurance Need for Betty - Allen Survives



Survivor Needs for Betty

Retire 63/62 - Downsize & Move to WA

This analysis is used to show the amount of life insurance needed if Allen's death occurs at Betty's age shown and benefits can be invested at 4.50% after-tax. The first age is current age, the last age is 9 years prior to life expectancy. Other ages seen are midpoint ages.



Betty's age when Allen dies.

	57	67	76	86
Present Value of Total Expenses*	(\$1,927,996)	(\$2,099,013)	(\$2,079,367)	(\$1,475,961)
Present Value of Total Income*	\$813,105	\$756,507	\$721,827	\$492,959
Income Surplus or (Shortage)	(\$1,114,890)	(\$1,342,506)	(\$1,357,539)	(\$983,002)
Immediate cash needs	(\$236,732)	(\$84,580)	(\$110,440)	(\$145,877)
Total capital needed at Allen's death	(\$1,351,622)	(\$1,427,087)	(\$1,467,979)	(\$1,128,880)
Assets available**	\$800,990	\$1,018,558	\$1,231,926	\$1,359,749
Total life insurance needed	\$550,632	\$408,529	\$236,053	
Allen's existing life insurance at age shown	347,500	97,500	97,500	97,500
Additional insurance needed on Allen	\$203,132	\$311,029	\$138,553	

Tax Notes: Taxable incomes (earned income, pensions, taxable Social Security, taxable other incomes, etc.) are taxed at 15.00%. Social Security is assumed 85.00% taxable.

** Net present value of incomes and expenses calculated with a 4.50% discount rate.*

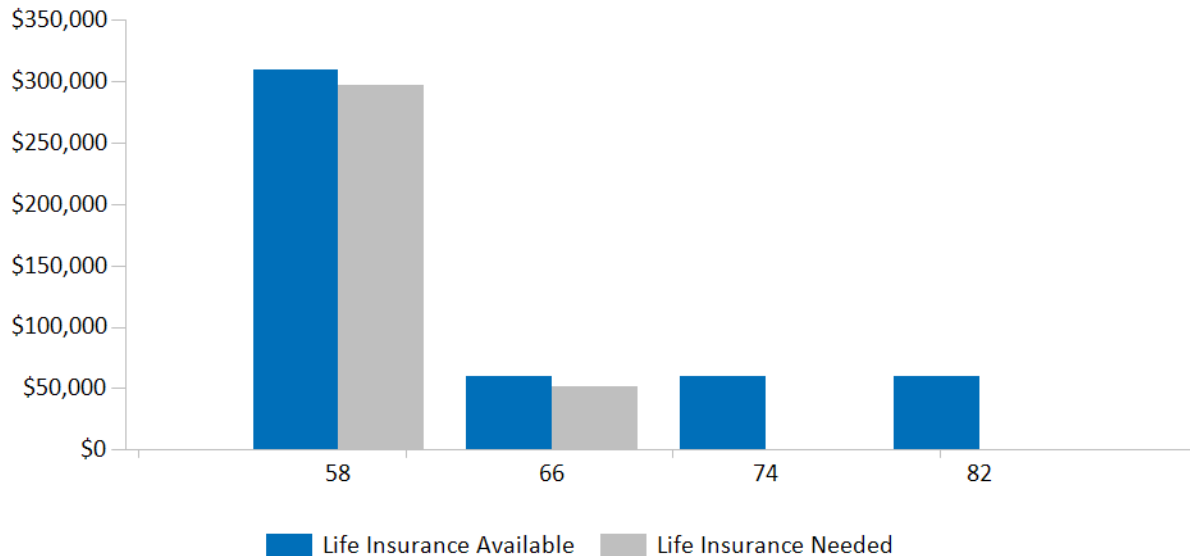
*** Tax-deferred retirement accounts reduced by 15.00% for taxes.*

Survivor Needs for Allen

Retire 63/62 - Downsize & Move to WA

This analysis is used to show the amount of life insurance needed if Betty's death occurs at Allen's age shown and benefits can be invested at 4.50% after-tax. The first age is current age, the last age is 8 years prior to life expectancy. Other ages seen are midpoint ages.

Life Insurance Needs on Betty



Allen's age when Betty dies.

	58	66	74	82
Present Value of Total Expenses*	(\$1,758,605)	(\$1,813,546)	(\$1,550,393)	(\$1,172,589)
Present Value of Total Income*	\$872,894	\$642,845	\$620,084	\$421,606
Income Surplus or (Shortage)	(\$885,711)	(\$1,170,701)	(\$930,309)	(\$750,983)
Immediate cash needs	(\$212,697)	(\$45,030)	(\$65,248)	(\$86,354)
Total capital needed at Betty's death	(\$1,098,408)	(\$1,215,732)	(\$995,557)	(\$837,337)
Assets available**	\$800,990	\$1,164,590	\$1,036,515	\$1,300,024
Total life insurance needed	\$297,418	\$51,142		
Betty's existing life insurance at age shown	310,000	60,000	60,000	60,000
Additional insurance needed on Betty				

Tax Notes: Taxable incomes (earned income, pensions, taxable Social Security, taxable other incomes, etc.) are taxed at 22.00%. Social Security is assumed 85.00% taxable.

** Net present value of incomes and expenses calculated with a 4.50% discount rate.*

*** Tax-deferred retirement accounts reduced by 22.00% for taxes.*